REGISTERING INTEREST:
WORK, EMPLOYMENT AND INDUSTRIAL RELATIONS ON THE WATERFRONT IN NEW ZEALAND 1953-1993

A THESIS SUBMITTED FOR THE DEGREE

OF

DOCTOR OF PHILOSOPHY IN SOCIOLOGY

AT THE

UNIVERSITY OF CANTERBURY

BY

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UNIVERSITY OF CANTERBURY
1996

ABSTRACT

This thesis examines patterns of power relations between waterfront workers and waterfront employers during the years 1953 to 1993. It argues that the key actors on each side, and the relationships between them, were constituted by the Waterfront Industry Act 1953 which established a 'bureau system' of labour administration. This legislative intervention created an occupational registration scheme which was complemented by the registration, as legal entities, of the main organized interests within the labour market - the unions and the employers' organization. The relationships between these actors are explored at three separate (although overlapping) levels: employment relations, industrial relations and work relations. Using these categories, an analysis of two distinct periods is presented: the break-bulk era (1953-1971) and the container era (1972-1986). The thesis concludes with a discussion of the period after deregulation (1987-1993).

The thesis demonstrates that unions were empowered by the bureau system of labour administration by being granted formal 'joint control' of certain crucial aspects of the labour supply. The resulting union strength was constituted in and through a blend of local and national bargaining together with the judicious use of strike action. At the level of work relations, the bureau system exacerbated the inherent problems of control associated with the performance of work by gangs. This produced a particular pattern of work relations which centred on the wage-effort bargain. In the break-bulk era, this pattern led to a tension between the organization of the labour market and the wage-form. Despite this tension, watersiders had considerable control of work practices. This control was carried over to the period after containerization.

In the relationship between firms and the labour market, the study reveals that firm size was as much a function of the type of labour market, as the type of labour market was a function of firm size. As well as empowering the unions, the bureau system secured the existence of small firms. These, the most significant, unintended

consequences of this system intersected in the 1970s when several unions became involved in establishing small new entrant stevedoring companies.

Key developments in ownership and control followed containerization. Rather than containerization resulting in pervasive vertical integration, this process occurred unevenly and was accompanied by a parallel process of vertical disintegration. Instead of large vertically integrated shipping companies becoming the main players within stevedoring, a number of new types of organizations and firms entered the field. This fragmentation of waterfront employers at an economic level became a persistent source of employer disunity which significantly impacted upon outcomes within the spheres of employment relations, industrial relations and work relations during the 1970s and 1980s. The resulting dynamic of union strength and employer weakness only began to be eroded after the institutional and legislative supports of the unions were systematically dismantled by state reformers in the late 1980s.

The effects of the bureau system in producing considerable union control, set limits upon what could be achieved by both state reformers and employers in the period after deregulation. All attempts to restructure the industry have come up against the barrier of labour that is already unionized and well-organized. Port reform has, however, allowed a new space for small firms, operating now as stand alone players in the labour market. These small firms have the greatest potential to erode the last remnants of the bureau system, in the union's control of the labour supply, by reintroducing non-union casual labour into the industry.

ACKNOWLEDGEMENTS

In the course of writing this thesis I have accumulated many debts of gratitude. Words alone cannot repay these debts, but they are an important first instalment.

A special word of thanks is owed to my supervisor, Dr Terry Austrin, for his advice and support. Despite the multiple demands on his time, Terry was always willing to listen to my ideas and to provide fresh sociological insights. He has been a source of inspiration and encouragement throughout the five years it took to complete the study.

Three of my friends, themselves doctoral candidates, I wish to thank for their camaraderie. To Michael Peters, my 'brother-in-arms', occasional fishing and (slightly more frequent!) drinking companion, and one-time staunch co-defendant - many thanks. Thanks also to Bruce Curtis, who has over the past 5 years shared the experiences of post-graduate study with me. Bruce's humour got me through many a low moment. And to my friend Richard Cocks: although Richard lives on the other side of the world, his frequent letters were much appreciated.

I am grateful to Steve Dunstan for his hospitality during my several trips to Wellington, and to my brother, Marcus ('Oz'), for tolerating flatting with me early in the piece and for taking an interest in my studies.

I would like to acknowledge the University of Canterbury in awarding me a Canterbury Scholarship, and the Institute for Industrial Relations Research in providing me with a grant from its scholarships fund. Also, I would like to thank Professor David Thorns and Dr Arnold Parr for employing me each year as a teaching assistant. Without these sources of income I would not have been able to embark on, let alone complete, the thesis.

I am also very grateful to the members and officials of the Waterfront Workers Union who cooperated in the research. Special thanks are owed to the late Warren Collins, and to Steve Guest, for sparing me some moments of their valuable time.

Many thanks also to Ted Thompson for answering my numerous questions, and also for giving me copies of some crucial documents which I would not have otherwise been able to secure.

Thanks also to Robyn and Tony Robinson, for making me feel like part of their family, and for taking a keen interest in my thesis. My especial thanks to Tony for his assistance with computer equipment. Without Tony's help I would not be able to type (or print!) these words.

I would like to extend my heart-felt thanks to my partner, Emma, for her support and patience while I was writing the thesis. Emma has been encouraging and helpful throughout, and I am deeply grateful to her. Finally I would like to thank my parents, Anna and Doug, for their unfailing support of my university studies, which extend over some 12 years. Hopefully this thesis will go some way towards repaying the debt of gratitude that I owe them.

It is to Mum & Dad, and to Emma, that I dedicate the thesis.

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When an occupation is legally recognized it acquires a title, its prerogatives are laid down as are the way in which recruitment takes place and the qualifications needed. In other words, competition is regulated in a field of occupations having to share a market.

Thevenot (1984:6).

SECTION ONE

INTRODUCTION

INTRODUCTION

I first became interested in studying the waterfront industry in 1989. My interest was sparked by media reports of a situation that developed on the New Zealand waterfront on October 1 of that year which resulted in work stopping for nine days at all of the country's ports. At the time, employers and union officials alike were at pains to point out that the stoppage was 'not a strike' - it was simply that watersiders had no employer. As I discovered, the key to this paradoxical situation was that, for almost 50 years, watersiders had been 'employed' under a specialist state-appointed scheme. In one fell swoop, the fourth Labour Government had abolished the Waterfront Industry Commission, the successor to the institutions which had first been used to decasualize the industry in 1940.

Indeed, 1989 was not a good year for waterfront workers the world over. A pervasive international trend towards the deregulation of transportation (see Bell and Cloke 1990; Button and Pilfield 1991; Bannister and Button 1991) had its concomitant in a 'rising tide' of waterfront industry reform which targeted the labour market (see Turnbull and Weston 1992). As Turnbull et al. observe, "1989 marked a year of worldwide attacks on dockers' exclusive status and advantageous terms and conditions of employment" (1992:3).

These favourable conditions were the product of struggles, which reached back to the late nineteenth century, by organized labour in Western Europe, America and Australasia to decasualize waterfront work. These struggles were, in turn, a response to the labour market conditions that confronted waterfront workers. In their classic study, Lascelles and Bullock drew attention to these conditions in the following manner:

> the work of loading and unloading ships must, from its nature, be subject to frequent and violent fluctuations. Ships arrive and depart intermittently; there must be no delay in the 'turn round' when they arrive; and demands for labour fluctuate with each ship. The fluctuations cannot be foreseen with any precision because the arrival of a ship may be affected by weather and tide. . . . In consequence of these fluctuations, it has always been the practice of employers to engage their labour, or a large portion of it, each day as required, and to dismiss it the moment that it is not wanted. The system necessarily depends on the existence in each port of a 'pool' of available labour sufficient to meet the full demands of the port on the busiest day, with the obvious result that on all other days there must be a 'necessary margin' of labour available for work but unoccupied (1924:1).

The need for this 'necessary margin' is the reason why in most countries the waterfront has, historically, been a stronghold of casualism (see Evans 1969). Employers in the industry have typically used casual labour, at one time or another, in order to solve the problems of synchronizing the supply of and demand for labour. This solution ensured the existence of a permanent and continuous oversupply of labour.

In this context, casualism often resulted in unmitigated employer prerogative in hiring (see Hill 1976; Larrowe 1955; DiFazio 1984; Levy 1989; Kimeldorf 1988). Waterside workers in New Zealand still tell stories (usually of their father's experiences) of discriminatory preferential hiring by employers, of insecure employment and income, under the 'auction block' (also referred to by some as the 'chopping block') method of hiring. Histories of the local watersiders' unions make numerous references to the iniquities that resulted from this hiring system (see Pettit 1948; Norris 1980; Roth 1993).

These labour market conditions shaped the contours of trade union organization and strategy on the waterfront. They resulted in the principal struggles being focused on decasualization through the establishment of registration systems, in

order to effect "exclusionary closure" (Parkin 1979:45) within the labour market. In most cases, these struggles were not brought to their fruition until the 1930s and 1940s, when they resulted in the establishment of specialized institutions which decasualized and regulated the labour supply.

The differences among these 'systems of labour administration', as I will call them, are registered primarily by the 'institutional mix' with respect to the role of unions, employers, and (moreover) the state, in constituting and managing them. For example, on the Western seaboard of the United States waterfront work was decasualized in 1934 through the establishment of a union-administered hiring hall. In Britain, however, decasualization was accomplished in 1947 when the state established the National Dock Labour Scheme. Similarly, in New Zealand, as in Britain and elsewhere (see Turnbull et al. 1992:9), waterside workers became subject to the "bureaucratic capacities" (Smith 1992:277) of the state.

In 1940, the first Labour Government systematically decasualized waterfront labour in New Zealand. This move consolidated earlier attempts by the Waterside Workers Union to do so, by establishing a system of labour administration which systematically 'closed' the labour market, and regulated the hiring of watersiders. The most significant and enduring of the institutions which it created, the Waterfront Industry Commission, assumed responsibility for hiring and paying watersiders. That New Zealand's system of labour administration was implemented by the state did not, in and of itself, make it unique. However, it was coupled to an industry-specific variant of New Zealand's unique state-regulated arbitration system in which unions, along with employers' organizations, were themselves 'registered' (hence the title of the thesis).

Legal regulation, by its very nature, raises the possibility of its obverse: deregulation. The state-regulated system, in which organized interests were

'registered', was therefore a double-edged sword. Because just as the state can secure unions as legal entities, by means of a registration system, it can also be used to render their powers ineffective. This is precisely what happened during the 1951 waterfront dispute in New Zealand, when Sid Holland's National Government deregistered the national Waterside Workers Union and registered 26 'new' unions at the port level (see Bassett 1972).

Symbolically, the 1951 waterfront dispute still represents the zenith of industrial conflict in the postwar period. Apart from the devastating consequences for the deregistered union and its members, many of whom were expelled from the industry (see Scott 1952), one of the most significant developments in the aftermath of this dispute was that the state locked in place a system of labour administration (similar to the one which had preceded it) by means of the Waterfront Industry Act 1953. This system was to persist, with modifications, until September 30 1989.

On the eve of the Waterfront Industry Commission's demise John Mitchell, himself a veteran of the 1951 dispute (and a former watersiders' union executive officer) likened the events of 1989 to those of 1951. He remarked that watersiders "have their backs to the wall and need the support of the rest of the trade union movement and international backing to protect their conditions won over the past 40 years or so."[1] The juxtaposition of the events of 1951 and 1989, both of which hinged on decisive legislative interventions sparked my interest in 'industrial relations' (broadly conceived) in the intervening period. This was so in two senses.

[1] As quoted in *National Business Review*, 28/9/89.

It appeared (as John Mitchell's statement alludes to) that despite being defeated in 1951 by the employers and the state, and their national union being dismantled, in the interim watersiders not only reorganized themselves but came to regain, and perhaps even surpass, their former influence on the waterfront. Indeed it was a commonplace popular assertion in the 1970s (when I was growing up) that 'the unions ruled on the waterfront', and watersiders were frequently described in the media using pejorative terms such as 'worker aristocrats'. Their wages and conditions were the envy of many other groups of blue-collar workers, and some stories of their level of job control attained almost legendary status within working class circles. That this should be so at the very time when containerization occurred, which is generally regarded as threatening the employment and income of waterside workers internationally (see Evans 1969; Mills 1979; DiFazio 1985), further stimulated my interest in this period.

Also, I was (and still am) of the firm belief that it is not possible to understand or explain developments in the post-reform period without understanding how the relationships between employers and unions took shape before that time. So I began reading about the intervening period primarily with a view to studying the events of 1989. I believed that I would merely have to read the existing historical accounts of the period after 1951, identify the 'pattern' of industrial relations and workplace relations, wherein labour had presumably achieved the upper hand, and then evaluate how deregulation had affected this pattern. This latter task, then, would form the bulk of the thesis.

To my surprise, however, accounts of this period are very thin on the ground. Most historians who write about the waterfront are preoccupied by the 1951 dispute, the years which preceded it, and its immediate aftermath (see Scott 1952; MacDonald 1955; Bassett 1972; Green 1989; Townsend 1985; Porzsolt 1985). Of those writers who do examine the later period, their accounts are fragmentary.

There are isolated studies of patterns of industrial conflict (Turkington 1976, 1980), waterside workers' consciousness (Inkson and Gidlow 1981), union politics (Fernandez 1969; Meade 1980), and histories of particular port unions (Norris 1980; Roth 1993).[2] But, overall, there is no systematic and historically detailed account of patterns of industrial relations and work organization during this period. Significantly, there is no account of the challenges posed by technological change to watersiders and their unions, of the way it impacted on how employers were organized, or on the relationships between these actors. While some authors have examined the political issues and developments surrounding the shift to containerization (see Sinclair 1973; Craw 1982), their particular research focus is such that they do not address effects of this process of technological change upon relationships between employers and waterside workers.

The lack of academic interest in the waterfront is curious, given that historically watersiders were a group of blue collar workers who were central to the labour movement. It is even more curious given the centrality of ports to New Zealand's economy, as a 'small state' (Katzenstein 1985) which has traditionally been reliant on agricultural exports (see Curtis 1996). Having discovered this significant and seemingly inexplicable gap in the literature, the task I set myself in this thesis was to fill it. There is, in this sense, another dimension to the title 'registering interest': the thesis addresses a hitherto neglected topic which I believe is intrinsically worthy of investigation. Of necessity, this intention has meant that the thesis is primarily an historical sociology, of the period from 1953 until 1989, with just two chapters that deal with the post-reform period.

[2] The study by Norris forms part of an important, albeit small, vernacular literature written by watersiders. Included within this literature is the novel by Davis (1964).

In the thesis I examine the nature of the relationships between waterfront employers and watersiders within the spheres of industrial relations and work during the 40 years from 1953 to 1993. The key premise of the study is that these relationships are, as Gouldner (1954:154) writes in another connection, "explainable only in terms of the balance of *power*, of the relative strengths of opposing groups." Taking this premise as the point of departure, I will seek to identify "the relative . . . power of the key actors" (Fligstein and Fernandez 1988:6) and, recognizing that power relations are dynamic, changes in this balance over time. How did these relationships develop, in the aftermath of 1951 dispute, during the break-bulk era? What were the effects of containerization upon the pattern of power relations which crystallized in this latter period? More recently, what have the effects of port reform been on the relative power of the key actors? And what new actors have entered the scene?

British and American studies alike (see Hill 1976; Mills 1976; DiFazio 1985) identify the waterfront, in the break-bulk era, as a site of resistance to the shift to employer control of labour markets and work which, according to authors within the Braverman-inspired labour process tradition, characterizes industries within the manufacturing sector. However authors who write in this latter tradition regard the resistance on the waterfront to this historical trend as being undone by containerization, which facilitates greater employer control of labour markets and work (see Mills 1979). Still other studies demonstrate that this process of technological change does not automatically and unambiguously result in a (re)assertion of managerial prerogative (Finlay 1988; Wellman 1995). Insofar as relationships of power between waterfront workers and their employers have the potential to vary considerably between different national settings, the thesis seeks to identify how these relationships developed in New Zealand within both the pre- and post-container periods.

Ultimately the thesis identifies, and accounts for, a pattern of union strength and employer weakness which emerged in the 1960s, crystallized in the 1970s, and began to be undone in the late 1980s. The argument that I will make is that these developments were in no sense predetermined, whether by the nature of labour process, or by the existence of an 'occupational subculture'. Rather they were *contingent* outcomes that were shaped by the legally constituted institutional framework the key actors on the waterfront were part of, the power resources they gained control of within this framework, and the success (or failure) of the strategies they employed.

The contingent nature of the developments in the period under consideration is amply demonstrated by the fact that, contra the claims of labour process theorists such as Mills (1979), containerization did not lead to a (re)assertion of managerial prerogative on the New Zealand waterfront. Paradoxically, in the 1970s, instead of containerization enhancing the capacity of employers to 'control' workers, it had the opposite effect: the employers, as a 'bloc', became increasingly fragmented and the watersiders' unions capitalized upon this situation by means of decentralized bargaining. The historical account I provide adopts what Sewell (1992:33) has termed an "eventful conception of temporality", which invokes "multiple registers of causation" to explain these historical developments.

Inevitably the approach that I take to exploring the relationships between waterside workers and their employers within the time period specified has been influenced by existing accounts, both international and local, of work and industrial relations on the waterfront. It is therefore necessary to review the studies in this area, in order to identify their relevance to the thesis. It is to this task that I now turn.

CHAPTER 1 : THE SOCIOLOGY OF WATERFRONT LABOUR

(1) Introduction

Waterfront work, the men who do it, and the labour markets in which they compete, has attracted the attention of sociologists (and other academics) for several decades. Indeed studies of the waterfront can be used to index the predominant 'orientations' and foci of British and American industrial sociology in the post-war period. As I will demonstrate, the few fragmentary studies of the New Zealand waterfront, in the main, tend to follow the concerns of this literature. That these studies are dominated by debates formulated (usually some years before) in other countries is, I believe, largely explicable in terms of the fact that in Australasia "there has been, until recently, a lack of an industrial sociology tradition" (Bray and Littler 1988:553). Undoubtedly this is also responsible, at least in part, for the paucity of studies of the waterfront in this country.

In this chapter I will review the overseas literature and, where relevant, position each study within a particular tradition of industrial sociology. Having identified the broad contours of the literature, and located the relevant New Zealand studies within it, in the next chapter I will map out the framework for my own analysis. Recently, there have been calls to reorientate industrial sociology around studying the organization of work (see Thompson and Ackroyd 1995). My prescription for studying the waterfront, and the approach I adopt in this thesis, is somewhat different. I want to suggest that because of the nature of the systems of labour administration, through which waterfront labour markets are decasualized, the primacy of how the labour market is organized (relative to patterns of work relations) must be recognized. Moreover because of the features of the particular system that was established in New Zealand this labour market focus, which is

apparent in the best of the overseas studies reviewed, must be combined with an 'institutionalist' approach to analysis.

(2) Sociological Studies of Waterfront Labour

The first studies of the waterfront that emerged in the 1950s range from those concerned with the nature of the individuals who performed waterfront work, and the cultural and community context in which they were embedded, to accounts detailing the nature of the employment relationship. The former emphasis was used to identify the factors that rendered waterfront workers 'different' from other groups of workers. In one of its most well-known formulations, that of Kerr and Siegel (1954), the concern was to explain the 'strike proneness' of waterfront workers. According to their argument regarding the 'interindustry propensity to strike', the geographical and/or social isolation of waterfront workers (and other groups like them), which separates them from the rest of the 'community', fosters a certain occupational identity and set of values which results in an increased willingness and, by engendering social solidarity, an increased capacity to engage in strike action.

Despite the weaknesses of Kerr and Siegel's argument regarding the causes of differences in strike rates between industries, for which it has since been roundly criticized (see Edwards 1977), the emphasis upon the theme of culture and community as the key to understanding the 'waterfront worker' persisted within industrial sociology. In this view the waterfront worker, as a particular 'type', is essentially constituted and conditioned by the occupational subculture and communities of which they are part. This approach is exemplified by David Lockwood's classification of waterfront workers in his now classic model of workers' consciousness.

Within this model Lockwood (1966) identified three different 'types' of worker (traditional proletarians, traditional deferential workers, and privatized workers). It is worth quoting him at length, both to show the extent to which Kerr and Siegel were the progenitors of his argument, and also the key features of his definition which epitomizes the 'occupational subcultures' approach:

> The most highly developed forms of proletarian traditionalism seem to be associated with industries such as mining, docking, and shipbuilding; industries which tend to concentrate workers together in solidary communities and to isolate them from the influences of the wider society. Workers in such industries usually have a high degree of job involvement and strong attachments to primary work groups that possess a considerable autonomy from technical and supervisory constraints. Pride in doing 'men's work' and a strong sense of shared occupational experiences make for feelings of fraternity and comradeship which are expressed through a distinctive occupational culture. These primary groups of workmates not only provide the elementary units of more extensive class loyalties but work associations also carry over into leisure activities, so that workers in these industries usually participate in what are called 'occupational communities' (Lockwood 1966:250-1).

This model of community-based proletarian traditionalism was 'tested' in relation to New Zealand by Turkington (1976) and Inkson and Gidlow (1981).

Turkington (1976) conducted an analysis of strike rates on the waterfront in New Zealand. Although he is critical of aspects of Kerr and Siegel's 'hypothesis', his study shares their emphasis on identifying factors which render certain groups of workers (in this case those in the waterfront, construction and meat processing industries) more strike prone than others. The principal weakness of Turkington's account is the very limited time-frame addressed (1967-73); in effect he presents only a 'snapshot view' of strike rates in these industries. In this respect his study, like that of Kerr and Siegel, is overly synchronic. Furthermore, while Turkington

identifies a number of variables that shape industrial conflict on the waterfront, his study lacks a clear identification of which ones are causally prior.[1]

Inkson and Gidlow qualified the argument regarding the 'type' of worker who worked on the waterfront in New Zealand, providing only limited support for the 'traditional proletarian' thesis. As with Lockwood, however, this study largely ignores the institutional context in which the 'type' of workers identified actually worked. For my purposes, the main problem with these accounts of waterfront workers, whether in the incipient form of Kerr and Siegel's 'isolated mass' hypothesis or when given sociological 'flesh' by Lockwood in his argument about 'traditional proletarians', is that the occupation of waterfront work is used to test general arguments drawn from sociological theory regarding community and social integration. In this type of research, sociological concepts like 'tradition', 'occupational subcultures' and so forth, function as a substitute for, rather than a supplement to, detailed empirical analysis of labour market structure and actual work organization. For example, despite its centrality to his model of the 'traditional proletarian', Lockwood merely *assumed* the existence of the dockers' freedom from direct supervision. Nor did he examine the institutional framework through which dock work was actually organized.

The study by Inkson and Gidlow likewise ignores the actual organization of work and the labour market. This is curious, because they criticize Lockwood on similar terms to my own, yet in their account institutions of labour market regulation and the work situation exist as a shadowy backdrop to their attempt to identify the 'type' of worker who inhabited the New Zealand waterfront. Significantly, the 'bureau' system of labour administration, through which the labour market was organized, does not even rate a mention in their article.

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[1] Although he extended his analysis to 1978 in a subsequent work (Turkington 1980), it is characterized by the same approach.

The broader point is that abstract sociological models of community and social integration, and appeals to sociological terms like 'occupational subcultures', serve to obscure as much as to explain. The approach of these types of studies has been criticized by Turnbull, who argues that their predominance resulted in "a failure to fuse sociological studies of workers' attitudes with the more institutionally orientated studies of industrial relations which focus on such variables as changing labour market conditions, work organization, payment systems and technological developments" (1992a:296). In particular, he argues that in explaining waterfront strike rates, 'occupational culture' must be linked to the institutional framework which underpinned the industry. This type of argument finds support in an earlier formulation by Miller (1969) who suggested, albeit tentatively, that the level of development and degree of influence of the 'dockworker subculture' is in fact *dependent* on the way that the labour market was decasualized.

The classic sociological study of waterfront work in Britain which focuses on institutions was produced by the Department of Social Science at Liverpool University in 1956. The second major work by the Department in the 1950s (see Brown 1965), 'The Dock Worker' (as it was entitled) focused on the Port of Manchester and was in large part concerned with how the National Dock Labour Scheme affected this port. In particular, it sought to identify the "exact impact of the scheme on the life and labour of the Manchester dock worker" (1954:18). In a sense, this study reflects the (false) hopes of bureaucratic reform which were central to British industrial sociology in the 1950s (see Brown 1992:1-38). Manchester had previously been a port relatively free from industrial conflict but in 1951, while the study was being undertaken, it was the site of two unofficial strikes. The researchers attempted to discover whether this upsurge in conflict could be explained, not in terms of community, but in the way that the new

Scheme "tended in practice to emphasize . . . economic . . . [security] at the cost of weakening the more important and fundamental psychological security" (ibid:11). The focus upon psychological consequences is one of the hallmarks of this study.

Despite its institutional focus the Liverpool study can therefore be bracketed alongside the work of Lockwood and others, as examining the attitudes of the workforce (albeit in a social-psychological manner) with a view to explaining the incidence of strikes.[2] But, unlike these other studies, it did examine in detail the effects on these attitudes of the transformation of the employment relationship wrought by the NDLS. Thus the researchers engaged in empirical research with the intention of identifying how changes in the employment relationship impacted on industrial relations within the port, rather than merely pressing into service catch-all concepts such as 'isolated masses' or 'occupational subcultures' to explain the strikes that occurred.

The institutional focus of the Liverpool study had its counterpart in studies of the hiring systems which operated on the waterfronts of the East and West Coast of America (see Larrowe 1955; Philpott 1965). A seminal transnational comparison of waterfront hiring systems was conducted by Jensen (1964), who also carried out a detailed study of the Port of London (Jensen 1971).

The 'second wave' of sociological studies of the waterfront in Britain was initiated by Stephen Hill's classic work 'The Dockers'. Although it was framed as a study of class and occupational community (which resulted in a continuity in emphasis with the earlier studies of dock labour), underlying these overt themes is an

[2] The account of unofficial strikes is consonant with the emphasis on industrial conflict which characterized the Department of Social Science's subsequent studies of the coal and steel industries. However, insofar as the Manchester study largely preceded their foray into systems theory in these later works, it has an 'agent' rather than 'systems' focus (on this point see Brown 1992:50). Thus this study ranks as the exception to the Department's programme of research (Brown 1965:276).

argument about a tension between two competing modes of industrial organization ('craft' versus 'bureaucratic') that emerged at a time when the employment relationship had been fundamentally transformed (Hill 1976). The changes he examined were a result of modifications to the National Dock Labour Scheme carried out in light of the Devlin Committee's findings.[3]

There is an overlap between Hill's study and that of Lockwood in relation to the 'craft' basis of dock work, which hinged on dockers' freedom from direct supervision. However unlike Lockwood, who merely assumed the existence of craft control of work, Hill carried out empirical research on the actual organization of dock work. On the basis of his findings, he argued that the existence of 'craft administration', wherein dockers retained considerable control over work and exercised this autonomy 'responsibly', hinged on the particular system of labour administration (a local variant of the National Dock Labour Scheme) in the Port of London which gave rise to the non-permanent status of dockers in the labour market.[4] After the Scheme was modified, dockers were granted permanent status which led to an erosion, not so much of the autonomy and freedom that dockers enjoyed at work, but rather the pressures emanating from the employment system which hitherto had resulted in them exercising this autonomy in a responsible fashion. Thus it was the craft system of *control*, from the employers' point of view, that was undermined. As Hill observed, "no one in supervision or management could control the men once permanency was established" (1976:157). Beyond the specific features of Hill's argument, the strength of his study is that it is empirical research which looked beyond worker or employer

[3] This Committee of Inquiry, led by Lord Devlin, was charged with *inter alia* investigating the operation of the NDLS, and published its findings in 1965. As Hill (1976:6) noted, "The fundamental transformation occurred in 1967 when casual labour by the half-day, often for different employers on different days, was replaced by permanent employment for a single firm." This development was followed by the abolition of piecework in 1970.

[4] Under this hiring regime, the principal "source of supervisory control over the men . . . [was] the actual employment relationship itself" (Hill 1976:28). In short, if dockers did not work effectively they stood less chance of being rehired.

attitudes to examine how changes in the organization of the labour market impacted on the way that work was actually carried out.

The focus upon the organization of work in Hill's study was continued in a different way through studies of the nature of the 'labour process'. Unlike classic industrial sociology, which always stressed the variable nature of the social relations of work, the labour process approach - in its original formulation - stressed the homogenizing consequences of deskilling (see Braverman 1974). The waterfront then emerged in the 1970s as one of the diverse sites where sociologists gathered evidence to evaluate the 'deskilling thesis' originally developed by Braverman to explain developments in work organization in general.

The main exponent of this approach is Herb Mills, himself an ex-longshoreman, whose concern is with issues of technological change, deskilling and control on the San Francisco waterfront (Mills 1976; 1977; 1979). In particular, he examines the effects of a process of technological change that swept through the waterfront industry worldwide in the 1950s and 1960s following the introduction of 'containers' (large boxes of standardized dimensions). This process revolutionized methods of cargo-handling and profoundly changed the nature of waterfront work.

Mills identifies the waterfront as a site of prolonged and extensive worker (or union) control of work, which is eroded by technological change. His analysis of containerization reads as a graphic chronicle of a rising 'dread-tide' of technological change that degraded and routinized waterfront work, and eroded the sense of community, solidarity and pride among the men who worked on the San Francisco waterfront. In this sense, his findings fit squarely within a version of the labour process tradition, which:

> suggests a dynamic of bureaucratization and mechanization resulting in (a) a transfer of accountability and responsibility for the labour process from workers to management, (b) increased managerial control of workers behavior, and (c) increased management control of the labour supply (Steiger and Form 1991:251).

But his work also speaks to the tradition of studies that documented pride, community, and 'men's' work.

There are a number of problems associated with this type of labour process approach. Insofar as Mills's study is written through the metaphors of freedom and degradation it tends to idealize the nature of waterfront work in the break-bulk era. The account he provides is replete with nostalgia for a 'lost' era. Moreover, he does not allow for cross-national variations in the pattern of work relations in the break-bulk era, insofar as 'worker autonomy' is explained purely in terms of a standardized set of conditions which flow from the 'logic' of the labour process. In this sense, worker autonomy, like worker sub-cultures, is regarded as a universal and constant property, rather than something that may vary between times and places. Insofar as containerization fundamentally altered the nature of the labour process this control of work is regarded as being automatically and unambiguously eroded. Any potential for worker (or union) resistance to change, the concern of those who investigate occupational subcultures, is therefore largely overlooked.[5]

If an earlier generation of industrial sociologists who wrote about the waterfront over-emphasized issues of unofficial community regulation by the workers themselves, to the exclusion of official institutions and the sources of industrial regulation, writers in the labour process tradition bend the stick too far in the other

[5] This is a common failing of studies within this version of the labour process approach, for which they have since been criticized (for example, see Littler and Salaman 1982; Brown 1992:206-11).

direction by emphasizing 'objective conditions' to the largely same effect.[6] In short, this approach focuses upon the organization of work to the exclusion of both unofficial practices and the official institutional factors that condition it.

While there are no studies that examine the effects of technological change upon waterfront work in New Zealand, the 'labour history' study by Green (1989) of the break-bulk era (during the years from 1915 until 1951) bears the imprint of the labour process school.[7] Her approach is largely characterized by what Zeitlin calls a 'rank and filism', a view which regards the primary dynamic on the waterfront as "a spontaneous struggle for control of the labour process which pitted rank-and-file workers against trade unions as well as their employers" (1987:169). In this version, the waterfront worker is fundamentally conditioned, not by geographical isolation or by an occupational subculture, but rather by the nature of the labour process itself. Like Mills, Green writes as if work exists in a vacuum, divorced from an institutional setting.[8] Institutions are relegated to the status of mere epiphenomena, and the focus is on the objective 'bedrock' of the labour process. This approach not only unduly 'objectifies' waterfront work, it ultimately results in an inability to account for any differences that might exist in the organization of waterfront work, both among ports within the same country and between different countries.

A recent study by Finlay (1988) of work in the ports of Los Angeles/Long Beach, on America's West Coast, opens up a way of addressing these questions. In

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[6] More recently, of course, the labour process debate has itself returned to consider issues of subjectivity. The study by Burawoy (1979) was a first step in this direction, which led to these issues being explicitly addressed in subsequent studies (see Jermier et al. 1994). While the waterfront has proven to be a fertile ground for the evaluation of propositions formulated within industrial sociology, it has not as yet been addressed by this turn in the debate. To date, Mills's study exemplifies accounts of waterfront work in the labour process tradition.

[7] As yet, Green's doctoral dissertation is not publicly available (Green 1989). Here I am relying on two articles (Green 1992, 1994) which are based on her dissertation.

[8] Indeed in one article she argues that the arbitration system was, by an large, 'unimportant' with respect to the waterfront (Green 1994).

Finlay's account institutions are central. In particular, he fuses the concern with how the labour market is organized and the employment relationship constituted, which is implicit within the Liverpool study and Hill's analysis, with the labour process emphasis on work organization. Finlay demonstrates that the evolutionary assumptions regarding increasing employer control of labour markets and work, which characterize the work of orthodox labour process theorists such as Mills, do not necessarily apply on the waterfront even after containerization occurred.

Finlay's concern is one of how the employment relationship is secured. Standard labour process accounts of the employment relationship associate the dynamic of bureaucratization - the establishment of formal rules and procedures to govern hiring - with attempts to foster greater employer control of the labour supply (see Clawson 1980; Edwards 1979). However it is apparent from Finlay's study that the evolutionary assumptions utilized by authors within the labour process school are questionable insofar as this dynamic does not necessarily work itself through in the same manner on the waterfront. While the decasualization of waterfront labour markets in Western Europe, America and Australasia is analogous to early developments in the factory system, when the boundaries of the firm were cemented by establishing formal rules to govern hiring and dismissal, there are a number of important differences. Firstly, this process occurs much later on the waterfront (in most countries it dates only from the 1930s or 1940s) than in manufacturing. Secondly, this process involved systems of labour administration that were *external* to firms. Thirdly, for this reason, these systems do not automatically and unambiguously lead to increased employer control of the labour market. Indeed such systems can actually strengthen the position of workers in the labour market by giving their unions considerable control over the labour supply.

What the study by Finlay (1988), and to some extent another by Wellman (1995), demonstrates is that, not only do systems of labour administration allow unions to

exert control over the labour supply and the labour market, this control can also assist in staving off the potential of technological change to effect a (re)assertion of managerial prerogative. In a sense, this returns us to the concerns of the Liverpool researchers and Hill in answering the questions addressed by Kerr et al. and Lockwood: What makes waterfront workers 'different' (after decasualization, that is) is not occupational communities or the labour process per se, but rather the institutions that the labour market is organized through.[9] The 'dock worker' is thus not primarily (or essentially) constituted through occupational subcultures or by the labour process, but rather through institutional frameworks of labour market regulation which cut across both occupations and the actual organization of work. This argument is consistent with the findings of Turnbull (1992a) that the occupational culture of dockers, such as it existed historically in Britain, was replaced by the institutions of the NDLS. These institutions 'breathed life into' and came to form the basis of the occupation.

(3) From Community and Work to Institutions

This reading of the literature suggests that the separation of analyses of community or subcultures from the details of how work is organized, or the labour process approach, has promoted an ahistorical set of observations about waterfront labour. By contrast, for an historical approach the starting point in any analysis of relationships between employers and workers on the waterfront falls on how the labour market is decasualized through the institutionalization of registration systems (see Phillips and Whiteside 1985). This different approach requires an empirically grounded analysis and one that, as Gallie writes in another context,

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[9] Both Hill's argument regarding the perpetuation of what he terms 'craft administration', wherein dock workers had control of the labour process, and Finlay's discussion of the way that an informal arrangement ('the deal') fosters worker autonomy within the labour process, hinge on the nature of the respective systems of labour administration in Britain and America.

> rejects the search for simple universal laws of labour market structure and development in favour of an analysis of the interplay of the historically conditioned institutional structures that generate specific systems of labour market regulation (1988:18).

To this end, it is necessary to examine the "nationally distinctive institutional configurations" (Locke and Thelen 1995:341) regarding systems of labour administration. I will argue that these configurations, or the 'institutional mix', in turn, have important implications for where to 'focus' the historical analysis, specifically whether it takes the form of a 'labour history' or, as in this thesis, that of a more 'institutionally orientated' type of historical account.

The 'institutional configurations' in question hinge on different ways of institutionalizing registration systems. These differences are exemplified by the contrasting approaches to decasualization that were taken on America's seaboards. On the West Coast the union closed the labour market via a hiring hall system. On the East Coast, however, state legislatures intervened to control corruption on the New York waterfront (see Levy 1989). In each case, however, the *union form* was not given, or secured by the state, and the best studies of union organization on both coasts are 'labour history' accounts of the politics of union organizing (Nelson 1988; Kimeldorf 1988). Of particular significance in these studies is an analysis of the break between the International Longshoremen's and Warehousemen's Union and the International Longshoremen's Association, and how this schism fed into the respective ways that the labour market was decasualized in each of these settings.

The fact that the system of labour administration in New Zealand was created by the state does not make it unique, as the examples of New York, Britain (and elsewhere) demonstrate. What rendered it unique was that the occupational registration system was complemented by the registration, as legal entities, of the

main organized interests within the labour market - the unions and the employers' organization - under an industry-specific variant of the New Zealand's unique state-regulated arbitration system. In New Zealand the unions were based on a labour market secured by act of law, and unions themselves were given legal recognition. This unique overlap of an occupational registration system and a union registration system, within a specialist legal framework, rendered waterside workers a particular type of 'corporate group', similar in form to the British miners analysed by Beynon and Austrin (1994).

(4) Conclusion

With respect to studying waterfront labour, I have argued in this chapter for a shift from sociological analysis per se, to sociologically informed *historical* analysis which has a strong 'institutional' focus. The need for a shift from sociology to history emerges from a critique of the literature on waterfront labour, and the institutional focus 'fits' the New Zealand case, the hallmark of which was a unique form of legal regulation. This approach forms the basis of the analytical framework that I utilize in the thesis. Outlining the nature of this framework, and overviewing the thesis as a whole, constitute the main tasks of the next chapter.

CHAPTER 2 : FROM A SOCIOLOGY OF WATERFRONT LABOUR TO AN HISTORICAL SOCIOLOGY OF INSTITUTIONS

(1) Introduction

In his critique of labour history, Zeitlin (1987) has noted that analysis of distinctive institutional configurations requires more than a simple switch from the rules governing work to the practices of rank and file workers. He argued for a shift from 'labour history' studies of the rank and file to a 'history of industrial relations' which has a strong institutional and organizational focus.[1] In this approach, rather than treating institutions "as secondary phenomena responding positively or negatively to interests and identities determined by more fundamental social processes and relationships" (ibid:159), instead they are regarded as crucially conditioning relationships between employers and workers.

Given its unique state-regulated system, this approach has considerable analytical purchase in the New Zealand context. Hence, rather than labour history from the bottom up, as promoted in the tradition of E.P. Thompson, the focus in this study is upon how the relationships between waterfront employers and waterfront workers were fundamentally shaped from 'above', as well as from 'below', by the institutional framework of legal regulation. In adopting this 'institutionally orientated' approach, I will draw on an argument developed by Walsh and Fougere (1987) regarding the effects of New Zealand's state-regulated arbitration system. Like Zeitlin these authors argue that the law was crucial, not merely in constraining the behaviour of the key actors within industrial relations, but rather in creating the actors in the first place.

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[1] This 'institutionalist' emphasis resonates with recent debates within American labour history (see Lembcke 1995). The historical emphasis has been recognized to the point where a new journal, entitled *Historical Studies in Industrial Relations*, has recently been established.

On the waterfront the effects of legal regulation extended well beyond 'industrial relations' (narrowly defined), to the system of labour administration as a whole, which encompassed hiring practices and certain crucial aspects of work organization. However, the important point is that the Waterfront Industry Act 1953 did not just decasualize the labour market; it positioned the actors in particular ways. Moreover, rather than the law merely regulating and constraining already existing actors and interests, it was crucial in *constituting* sets of actors and interests (see Walsh 1993).

This approach implies acceptance of a particular view of institutions. Rather than institutions simply being regarded as externally constraining, they must be conceptualized as both constraining and *enabling* (Giddens 1984:173). Recent developments within the 'new institutionalist' sociology have made it more commonplace for such a view to be adopted. In the next section I briefly discuss this school and then I outline the analytical framework that I employ in the thesis.

(2) The Analytical Framework

The over-arching framework that this study is informed by is the 'new institutionalism'. While this approach spans several disciplines (including political studies, economics, and organizational analysis) and takes a number of diverse forms (for reviews see DiMaggio and Powell 1991; Zucker 1988), in sociology it has taken a particular form. As Brubaker insightfully observes:

> by moving beyond a concern with the *institutional contexts of and constraints on interested action* to emphasize the *institutional constitution of both interests and actors*, the new institutionalism in sociology diverges from the older sociological institutionalism as well as from the new rational-choice institutionalisms of economics and political science (1994:48, emphasis his).

Thus the new institutionalism treats "institutions as independent variables" (DiMaggio and Powell 1991:8). This is a view of institutions as causally prior (which is shared with the 'old institutionalism' of, say, Emile Durkheim), but constituting in their effect, rather than merely constraining already existing 'interests and actors' which spring forth fully-fledged and organized. In a slightly weaker version institutions are regarded as refracting, as through a prism, nascent interests. In an article which draws on this perspective in analysing labour politics, Locke and Thelen note that "accounts emanating from the institutionalist school focus on the way interests are shaped and/or mediated by their institutional environment" (1995:342).

This approach underpins my argument that the 'corporate' actors on the waterfront were produced through the operation of the Waterfront Industry Act 1953. Rather than merely being constraining, the institutions created by this legislative intervention were constitutive in their effect. 'Capital' and 'labour' on the waterfront did not nakedly confront each other as "objective interests inscribed in capitalist relations of production" (Zeitlin 1987:165). Instead these 'basic' interests were refracted through, and conditioned by, the institutional framework established under the Act. In short, they were institutionally mediated. Workers and employers were regulated in a way that positioned them (not by choice, but rather by act of law) as new sets of 'corporate' actors (unions and an employers' organization) with their own specific sets of interests. What emerged, then, was a particular configuration of actors and interests that was consequent upon capital and labour being 'organized' through a registration system. The actors were thus not in any sense 'given' prior to being regulated; they emerged in and through the process of regulation, and their interests, in this sense, were 'relational' rather than 'essential' (Somers 1993).

Given the adoption of this type of overarching 'institutionalist' framework the problem which immediately arises is that of how to explore the relationships between the key actors, within an industrial setting, over time. It hinges on a tension between the synchronic and the diachronic (Althusser 1977), or, simply stated, the problem of how to blend sociology and history (see Lipset 1968; Abrams 1980; Sztompka 1986; Wieviorka 1992; Sewell 1992). The specific problem I faced was one of 'form and content': how to structure the study, given the time period covered and the complexity of the relationships involved.

After a great deal of consideration, I elected to adopt the framework developed by Gospel (1992) which involves a threefold division of the relationships between the key actors into the spheres of 'employment relations', 'industrial relations' and 'work relations'.[2] This decision was not a matter of arbitrary choice nor the result of a desire on my part to superimpose a simplifying framework onto a complex set of relationships. For these categories do not just have analytical purchase (and hence the framework is not merely a heuristic device); rather they correspond to a real set of arrangements that was created by the Waterfront Industry Act 1953. Before highlighting this correspondence I will briefly explain the sets of relationships that these categories refer to.

Under the definition that I have adopted 'employment relations' refers to recruitment (entry to the labour market and the composition of the labour supply), register strengths (the size of the labour supply), and bureau rules (how labour was allocated to employers). Here I must emphasize that this is what I will call 'the labour market', and it is separated out from the realm of bargaining over wages and conditions - the province of 'industrial relations'. Similarly, each of these

[2] Gospel developed these categories to explain the evolution of employer strategy in Britain from the mid-nineteenth century to the present. However I have abstracted these categories from his analytical framework (which is based on the distinction between 'markets' and 'hierarchies'). Storey and Bacon (1993) have likewise adopted Gospel's categories and put them to a different use (in their case, developing a typology of individualism and collectivism).

spheres is differentiated from 'work relations' which I have taken to mean "the relations between employers and employees at the point of production which govern how work is carried out" (Edwards 1986:1). As opposed to the formal agreement, which codified wages and conditions, the level of work relations is the province of the wage-effort bargain on the job (Baldamus 1961).

The correspondence between these analytical constructs and the actual arrangements which existed on the waterfront is perhaps most evident in relation to the distinction between employment relations and industrial relations. Under the Waterfront Industry Act 1953, the regulation of the labour supply (the province of 'employment relations') was organized in a manner which separated it from the way that the rules governing work were negotiated and applied. Considered as processes of rule-making, a separate set of codified rules regulated employment relations and industrial relations. To conflate the two 'levels' in analysis would be to overlook important institutional arrangements which separated them.

Furthermore, the key actors at each of these levels differed. For example, individual firms were marginalized as actors within employment relations, insofar as all decisions on the employers' side regarding the labour supply were the legal responsibility of the employers' organization (the Port Employers Association). Within the realm of industrial relations, however, along with their summit organization *individual firms* were constituted as actors, with the right to enter into legally binding agreements with watersiders' local unions and their Federation. The Act thus made institutional resources available to individual unions and employers at the port level which meant that they did not have to rely on their respective national bodies. This raised the issue of which should be the legitimate actor: individual firms or the employers' association, unions or their Federation. Thus the Act did not supply a definitive institutional 'blueprint', insofar as

tensions existed within the organizations which emerged out of the regulatory matrix.

While the approach of the thesis is broadly consonant with the 'new institutionalism', in its emphasis upon the way that actors and interests are constituted by institutions, in structuring the empirical analysis around the preceding categories it proved necessary to supplement this overarching analytical frame with various literatures and studies which speak to the issues addressed in each of the three spheres. At this level, an eclectic approach is adopted. The final result blends classic and contemporary writings on labour markets, industrial relations and work.

In the analysis of employment relations I draw on a model of labour markets developed by Fligstein and Fernandez (1988). This model, which the authors developed in a syncretic manner, attempts to overcome the limitations surrounding the way that the main contemporary schools, of the neo-classical, segmented market and Marxist varieties have typically analysed the labour market. Fligstein and Fernandez conceptualize labour markets as "organized systems of conflict" into which different sets of resources are brought by firms and workers (ibid:23). The organization of labour markets is ultimately regarded as "a manifestation of power relations among the . . . [key] actors in labour markets" (ibid:22).

Although their attempt to develop a typology of labour markets is overly synchronic (and is based largely on American examples), their conception of the labour market as being a contingent outcome of struggles for "power resources" (Batstone 1988:223) by the key actors within it is a useful heuristic device. I use it to analyse the effects of New Zealand's state-regulated system of labour administration. This system institutionalized a series of local labour markets organized around exclusive registers at the port level. Using this approach, I

examine how the occupational registration system shaped the pattern of power relationships that emerged within these markets (or the sphere of 'employment relations', as I have termed it). This pattern, in turn, was based on the power resources that the respective corporate actors (the local watersiders' unions and the Port Employers Association) were able to secure control of within this system. These relationships determined the size and composition of the labour supply, along with the manner in which watersiders were allocated to work.

The analysis of industrial relations is informed by, and responds to, a (predominantly Australasian) literature on the effects of legally constituted arbitration systems. Because of the assumed homogeneity of New Zealand's unique state-regulated arbitration system, it has been largely overlooked that industrial relations in New Zealand's ports were regulated by a 'specialist' legal framework, established by the Waterfront Industry Act 1953, which placed the waterfront outside the 'mainstream' arbitration system. In examining the effects of this framework, I extend the argument developed by Walsh and Fougere (1987) regarding the effects of the arbitration system in constituting the key actors and shaping the relationships between them, and the way in which this system closed off some courses of action, but facilitated others. I show that within the 'specialist' framework these relationships were characterized by a series of tensions between the national level and the local (port) level. These tensions, between centralization and decentralization, were expressed both *within* and *between* the watersiders' and employers' national organizations.

Contrary to a common view of arbitration systems (see Littler et al. 1989), this framework did not centralize bargaining on the waterfront. Instead, bargaining was simultaneously centralized and decentralized. Furthermore, national bargaining and local bargaining were held in tension throughout the period under consideration. Thus I examine how local bargaining on the waterfront actually

worked *in practice* within a specific 'subsystem' of a legally regulated arbitration system. Local bargaining was potentially both a source of strength and weakness to unions and employers. While national bargaining was important, an important source of power within bargaining for the national organizations was gaining leverage over bargaining at the local level. Indeed it was the contingent interplay between the options provided and constraints imposed by the state-regulated system, together with the tension and shifting balance between the national and the local, between centralized and decentralized forms of organization and modes of action, which shaped the pattern of power relations between the key actors within the sphere of industrial relations in the period under consideration.

The analysis of work relations draws, in the first instance, on a reinterpretation of the work of the sociotechnical systems school by Kelly (1978). Kelly argues that the "principal achievement" of this school "has been to discover the limiting conditions . . . beyond which certain tenets of scientific management cease to be economically viable" and hence the sites where 'group working' based on 'autonomous work groups' is the most effective way of organizing work (1978:1083). This identification of the 'limits to Taylorism' is useful insofar as waterfront work, prior to containerization, was characterized by high levels of 'process uncertainty' (one of the crucial limiting factors that Kelly argues was discovered by the sociotechnical systems school). The stowing of cargo involved "non-uniform tasks" (Litwak 1961:178), and the consequent non-routine nature of waterfront work limited the capacity of employers to effect a Taylorist transformation of it. Instead, 'autonomous work groups', in the form of gangs, were typically utilized. If these conditions explain why gang systems of work were utilized by employers, they tell us nothing about the terms on which gangs actually worked.

Beyond the palpable limits that high levels of process uncertainty place upon the extent to which waterfront work can be 'Taylorized', the way that work is organized has the potential to differ substantially from one setting to another. Gangs can be self-selected or assigned, permanent or temporary, directly employed or indirectly employed. Moreover, contra Mills (1979), there is no immutable logic of the labour process that operates with respect to the degree of autonomy and freedom characteristic of gangs in the break-bulk era, or the effects of technological change upon it. This autonomy, which hinges on the relationship between foremen and gangs (on the nature of supervision, that is), is not a constant. As Kelly pointed out, one cannot refer to "autonomous work groups as a single form of work organization", because "group autonomy is a continuous rather than a discrete property" (1978:1095).

This point brings the argument back to a consideration of particular systems of labour administration, and the way in which gang systems of work are institutionalized within them. I identify the problems for employers thrown up by the indirect employment relationship under the bureau system of labour administration. I argue that this system exacerbated the inherent problems of control associated with gang systems of work in the break-bulk era. The ways that these problems were resolved produced a particular pattern of work relations which centered on the wage-effort bargain. I variously draw on classic studies of supervision, payment systems and work groups, in the analysis of these relationships. These themes, the focus on the wage-effort bargain and the nature of supervision, are retained in analysing the effects of containerization on the pattern of work relations which crystallized in the break-bulk era.

Considered in this way, a corpus of (somewhat diverse) literature is utilized in the empirical analysis. Equally, viewed in another way, the benefit of this eclectic approach is that the waterfront becomes a site from which I contribute to a number

of significant international debates within the field of industrial sociology. These debates include the following: the role of occupational registration systems in structuring labour markets (see Macdonald 1985; Witz 1992); the effects of legally regulated arbitration systems on bargaining practices (see Littler et al. 1989); the nature of supervision (see Hill 1973; Child 1975; Lowe 1992), specifically the position of the foreman within systems of collectivized labour; the impact of bonus systems (Roy 1953; Whyte 1955; Lupton 1963; Burawoy 1979), elaborated with respect to tensions between the organization of the labour market and the wage form; the relationship between technological change and vertical integration (Gold 1986), and the impact of new technology upon employer organization and bargaining power; and the determinants of firm size (see Lazerson 1988; You 1995; Kimberly 1976; Hodson 1984), specifically the interplay between labour markets and firm size (Granovetter 1984). In each case, I make a modest contribution to the debate.

Although (as I explain below) I deal with the relationship between employers and waterside workers at each of the three levels in separate chapters, specifying the principal lines of tension both *within* as well as *between* employment relations, industrial relations and work relations, is a central task of the thesis. This is because patterns of power relations in these spheres overlapped and intersected in various ways. In some cases this interplay was mutually reinforcing for a particular actor. For example, the existence of an occupational registration system based on exclusive registers, together with the local watersiders' unions exercising formal 'joint control' over the size of the labour supply, was a crucial source of union power within the labour market. In turn, this was an important source of the unions' industrial strength, and the resulting 'bargaining power' within the realm of industrial relations allowed the unions to restrict the use of casual labour (which supplemented the registered workforce) in the 1970s, at a time when containerization was exerting downward pressures on register strengths.

However there are examples which demonstrate that, while patterns of power relations overlapped, they were not necessarily mutually reinforcing for either the employers or the unions. The complex interplay between employment relations and work relations in the break-bulk period illustrates this point. On the one hand, the indirect employment relationship constituted by the Waterfront Industry Commission crucially affected the relationships between employers and workers at the point of production, in a way that empowered gangs of watersiders. But on the other hand, one of the employers' solutions to this problem of control (a bonus system) resulted in a tension between a compulsory (union-sponsored) work equalization scheme and the wage-form. This tension, in turn, resulted in the "reconstitution of hierarchical conflict as lateral conflict and competition" between watersiders (Burawoy 1979:67). This raised internal problems that every port union was forced to resolve for the sake of harmony amongst its members.

Thus the interplay between the three levels was contingent (and complex), and was also subject to change through time. But despite this complex interplay, the relationships between these levels were not completely arbitrary. This is an important point, and one which has influenced my decision regarding the order in which to deal with each set of relationships. It should be noted that the order in the thesis title ('work, employment and industrial relations') is for rhythmic effect, and does not reflect the actual order of the analysis. How, then, did I arrive at the order in which the discussion is presented?

Given the threefold division that I have adopted, it seemed logical to deal with industrial relations prior to the discussion of work relations. This is because of the relative importance, in New Zealand, of the legally regulated industrial relations framework in shaping particular patterns of work relations. The 'institutional configuration' in New Zealand was such that rights for unions were secured by the

state and 'job control', as such, was not as important as, say, in the United States (see Locke and Thelen 1995). The union form was legally 'given' and unions did not have to be built up 'from below'; in many cases job controls emerged after the unions were established, and sometimes informally. In this setting the legally enforceable industrial agreements negotiated by the key actors were central as the formal basis of job regulation, broadly circumscribing the character of work relations, and then the "silences in the contract of employment" (Hyman 1995:11) were filled through an 'informal' process of wage-effort bargaining at the point of production (Edwards 1986).

If it is not difficult to justify the decision to examine relationships between employers and workers at the point of production after those within the sphere of industrial relations, electing to deal with employment relations prior to industrial relations is perhaps more controversial. My reason for this 'ordering' of the analysis is as follows. The sphere of employment relations will be dealt with first, insofar as the occupational registration system (which was its cornerstone) shaped control of the labour supply which, in turn, shaped industrial relations. To be sure, the unions' resulting labour market strength did not automatically translate into sheer 'bargaining power' within the realm of industrial relations. For the extent to which the unions could use this strength in the labour market to extract gains in bargaining was refracted through the industrial relations framework, which facilitated some courses of action (decentralized bargaining, for example) but closed off others (such as 'free' collective bargaining which was not an option because of compulsory arbitration). Nevertheless, there is a sense in which the pattern of union strength (and employer weakness) which I describe in this study was underpinned by the nature of employment relations.

There is an additional reason for this 'ordering' of the analysis: it corresponds to the real order in which the process of labour being 'put to work' occurred.

Individuals who had entered the labour market by becoming registered were allocated to work as members of gangs under 'bureau rules' (each of which were, in my definition, the province of employment relations). Only then did they become subject to the legally enforceable industrial agreement (industrial relations), and once on the job were subject to the authority of the foreman-stevedore who was the initial broker on the employers' side of the wage-effort bargain (work relations).

In any event the utility of this analytical grid, which in my view 'fits' the case, will undoubtedly be judged by the manner in which the empirical analysis is constructed. There is, I believe, a certain symmetry and coherence from using these categories in the specified order which has emerged in the course of writing the thesis. That said, the issues of 'form' which remain to be dealt with are the periodization of the study and its actual structure. But before this, there are some limitations to the scope of the study that I wish to highlight.

Firstly, the study examines only the relationships between the groups crucially affected by the Waterfront Industry Act 1953 (waterside workers and their employers, that is). Although other occupational groups worked on the waterfront (principally harbour workers, foremen-stevedores and tally clerks), no account will be given of the relationship between these groups and their employers. Although these latter groups were drawn into the specialist industrial relations framework when the Waterfront Industry Act was amended in 1976 (see Chapter 9), they remained outside the broader system of labour administration and as such continued to be 'directly employed' by their employers. In this sense, the thesis is restricted to examining the effects of New Zealand's waterfront system of labour administration, which regulated a specific *occupation* rather than an entire industry as such. The 'unit of analysis', therefore, is the occupation and the system of labour administration through which it was organized. In general, other

groups of workers are only dealt with insofar as they were parties to inter-occupational disputes with watersiders.

Secondly, the overall emphasis in the study is upon institutional 'effects' rather than 'origins'. Most significantly, I will not attempt to explain the origins of the Waterfront Industry Act 1953, nor to identify the reasons for its abolition. I believe that this is justifiable because its origins have, to some extent, been documented in earlier historical studies (see Bassett 1972). Similarly, to explain the reasons for its demise would require an analysis of the pressures that mounted for deregulation, of the complex matrix of 'interested groups' involved, and the influence that these groups exerted upon policy making during the 1980s. This type of analysis is outside the scope of this (already somewhat lengthy) study.

That said, there is a sense in which the account I provide, which identifies a dynamic of increasing union strength and employer weakness under this legal framework, suggests why the bureau system was abolished. Indeed, the approach of successive governments in the 1970s was one of 'containment': trying to prevent the wages and conditions of waterside workers from spreading beyond the ports. The approach taken in the 1980s, however, was to abolish the specialist legislation and with it the 'corporate group' status of waterside workers which formed the basis of their industrial strength.

The preceding limitation also applies to how I deal with technological change. As in the study by Finlay (1988), new technology will be examined as an *exogenous* source of change. No attempt will be made to explain why it was introduced. In any case, in a 'small society' like New Zealand the decision to containerize cargoes was as much a political decision as one made by employers, the dimensions of which have been adequately documented elsewhere (see Sinclair 1973; Craw 1982). However I do examine in detail the effects of technological

change, not only upon unions but also upon employers. I demonstrate that new sets of actors and interests emerged on the employers' side following containerization, and that the overall fragmentation this produced at an organizational level weakened their position in bargaining, a situation which the unions exploited to good effect.

The last point I wish to make is that while I will, where appropriate, make comparisons to waterfront systems of labour administration in other countries, and while the study is framed through literatures which deal with other countries, this is not fundamentally a comparative study. This is in large part a trade-off which has allowed me to examine the New Zealand case in depth. Each of these limitations speak to the point that I do not purport to have written 'the' definitive history of the waterfront, but rather one particular history, which addresses specifically delimited issues. All studies require limits; the ones that I have set allow me to explore, in a considerable degree of detail, the relationships between workers and their employers which developed within a unique system of labour administration.

In the course of researching the thesis, I examined a considerable amount of archival material (much of which had not been previously consulted by other researchers). These primary sources were supplemented with interviews with former watersiders, union officials, employer's representatives and Waterfront Industry Commission staff, along with additional fieldwork (see the Methodological Appendix). Although it is not possible to capture events in all of their complexity, one can (and should) try for a high degree of 'correspondence'. In this vein, I have attempted to illustrate all of the major arguments and points in the substantive empirical chapters with detailed evidence, whether from documents contained in archives, quotes from interviews conducted with individuals who were involved in the events described, or observations I made

during the course of my fieldwork. The emphasis, then, is on 'thick description', but in a way that interweaves sociological analysis. Together with the time frame examined, and the structure adopted, this attempt to achieve verisimility accounts for the (considerable) length of the thesis.

(3) Periodization and Overview of the Thesis

In this section I will discuss the periodization that I have utilized, as well as provide an overview of the structure of the thesis as a whole. As Beynon and Austrin (1994:4) note, "In any historical account, there is an expectation of an historical narrative which has a chronology. Indeed it can be argued that a sense of chronology and of periodization is central to the historical craft." In the introduction I pointed out that the period prior to, and the immediate aftermath of the 1951 dispute has been well-documented elsewhere. In response to the eminent business historian Alfred Chandler's dictum that "most histories have to begin before the beginning", I can confidently state that the 'beginning' of this particular historical study (the period prior to 1953) has already been written. Thus this thesis begins at 1953, the year that the Waterfront Industry Act was passed. It also seemed logical to begin the analysis at that point, because (as I have argued) this legislative intervention was crucial in shaping the key actors and the relationships between them in the years that followed. The thesis ends at 1993, the year in which I ceased carrying out fieldwork.

Within these broad time limits, the periodization has been accomplished by grouping the individual chapters into sections covering the years 1953-71, 1972-86, and 1987-93. These periods broadly correspond to various 'breaking points', or events and developments, which I examine for their effects on the pattern of power relations between waterside workers and their employers. In Section 2, I examine how these relationships took shape within the regulatory matrix

established by the Waterfront Industry Act 1953, through until 1971. This period was characterized predominantly by break-bulk methods of cargo handling. Overall, the thesis assumes no prior knowledge of the New Zealand arrangements. Consequently the legislative framework is dealt with in depth in Chapter 3, as are the main sets of actors and interests that it constituted. The relationships between the key actors, at each of the levels of employment relations, industrial relations and work relations, are then dealt with in Chapters 4 to 6 respectively.

In Section 3 there are three 'inter-chapters' which serve as a link between the analysis of employment relations, industrial relations, and work relations in the pre- and post-container periods. These chapters both carry the continuity of historical events, and deal with significant developments. Chapter 7 examines the process of technological change, which as I noted above, was an important 'exogenous' source of change. Chapter 8 then teases out the interlinkage between labour market structure and firm size and type, and also deals with the impact of containerization upon firms. This latter task is crucial to identifying the sources of employer disunity in the years following containerization, which I address in Chapter 9.

In Section 4, I deal with the effects of containerization upon the pattern of employment relations, industrial relations and work relations which crystallized in the previous period. Again these levels will be dealt with in separate chapters (Chapters 10 to 12), which cover the years 1972 to 1986. While there are no 'hard and fast' breaks between these periods, with respect to the transition from break-bulk to container methods of work, in many respects they also correspond to certain key events. Notably, after a specially constituted two year conciliation forum (the 'Waterfront Conference'), a much-disputed watershed industrial agreement (which I discuss in detail in Chapter 5) was settled in 1971.

Finally, in Section 5, I deal with the effects of the abolition of the bureau system of labour administration, and the broader deregulation of industrial relations, upon the relationship between waterfront employers and watersiders. Chapter 13 specifically addresses the Labour Relations Act 1987, which abolished the 'specialist' industrial relations framework that hitherto governed the waterfront. This chapter also includes a discussion of the abolition of the Waterfront Industry Commission (which occurred in 1989). Chapters 14 and 15 then examine the period following the introduction of the Employment Contracts Act 1991. An overall summary of the thesis is presented in the concluding chapter, which draws together and summarizes the main arguments and findings contained in the body of the thesis.

SECTION TWO

WORK, EMPLOYMENT AND INDUSTRIAL RELATIONS 1953-1971

CHAPTER 3 : INSTITUTIONS AND ACTORS

(1) Introduction

In the previous chapter I argued that the Waterfront Industry Act 1953, far from merely constraining already existing sets of actors and interests, was crucially important in constituting the key actors on the waterfront. In this chapter I outline the formally defined roles, rights and responsibilities of the institutions and organizations legally constituted by the Act. While the Act afforded the Port Employers Association and the port unions legal recognition, in no sense did it predetermine the power relations between them and hence these cannot simply be 'read off' from the Act. Rather this pattern crystallized over time and was a product of the differing power resources that these actors were able to secure control of within this legislative framework.

A crucial variable in this process was the "organizational capacities" (Kimeldorf 1988:79) of the corporate actors. These capacities were crucially shaped by the manner in which the actors were constituted by the Act, and by the legal framework which opened some courses of action but closed off others. However, within these broadly circumscribed limits, the outcomes were contingent. For example, the state constituted new port unions, but as 'empty vessels' they were subject to internal struggles between deregistered watersiders and the 'new unionists'. The unions also combined into new organizations in the form of regional federations. The federations, in turn, faced organizational problems because of the manner in which the Act empowered individual port unions as the basic 'unit' of organization (in the realms of employment relations and industrial relations, at least) in a manner which ensured their local autonomy.

Similarly, while the Port Employers Association was legally recognized as an actor, the employers did not 'naturally' organize as an homogeneous bloc within this organization. Rather, it was subject to internal divisions between different types of firms. These divisions were exacerbated by the fact that the Act empowered individual firms as actors within the sphere of industrial relations.

In this chapter, as well as outlining the provisions of the Act, I will tease out aspects of the respective 'organizational capacities' of the key actors it constituted. Specifically I will identify the principal lines of cleavage within the respective summit organizations on each side. This discussion will form the backdrop to examining the relationships between these actors within the spheres of employment relations, industrial relations and work relations.

(2) The Legislative Framework

The Waterfront Industry Act 1953 created a *national* system of labour administration that regulated the employment of waterside workers throughout the country. The system was regulated by two institutions, the Waterfront Industry Commission (WIC) and the Waterfront Industry Tribunal (WIT). The principal functions of the Commission were, as the rubric in the Act states,

> To carry out all administrative work in connection with the engagement and employment of, and the payment of wages to, waterside workers. . . . To carry out all administrative work in connection with the payment of guaranteed minimum payments to waterside workers, the payment for holidays, the administration of any co-operative contracting scheme or any other system for payment by results. . . . To provide amenities for waterside workers. . . . To administer and enforce the rules determining the priority of the allocation of labour and the bureau rules from time to time made by Port Conciliation Committees (s 8).

The Waterfront Industry Commission was controlled by a Commissioner who was appointed by the Minister of Labour. It was administered by an executive staff

composed of a General Manager, a Chief Accountant and two senior accountants. The appointment of a sole Commissioner was significant insofar as it meant that the Commission itself, at the national level, was not a *representative* institution in that it did not incorporate union or employer representatives. This arrangement contrasts with the majority of systems of labour administration in Western Europe where some form of 'joint control' typically operated at the national level (Turnbull and Weston 1992:388-91).[1]

To carry out its legislatively prescribed functions the Commission was empowered to levy all employers of waterside workers in order to fund the administration costs of the system, together with "guaranteed minimum payments to waterside workers, and other payments to waterside workers not directly chargeable to individual employers" (s 9 (1)b). Thus the Act, in a sense, 'collectivized' labour by means of a national levy on employers. Furthermore, the Commission assumed many of the traditional responsibilities of employers such as the payment of wages and the provision of amenities.

This system of labour administration was both centralized and decentralized. While the Commission itself was located in Wellington (the national capital), under s 9b of the Act it was charged with "operating labour engagement bureaux and central pay offices" in each of the ports where waterside workers were employed. Each bureau (hence the term 'bureau system') was controlled by a Branch Manager, who was subject to the authority of the General Manager and the

[1] The non-representative nature of the Waterfront Industry Commission rendered it similar to an early postwar system of labour administration in Australia. Contrasting it with the National Dock Labour Scheme in Britain, Turnbull makes the point that "the *Stevedoring Industry Act 1949*, which created the Australian Stevedoring Industry Board, did not include the Waterside Workers Federation on the board, whereas the Transport and General Workers Union has always held joint control (50:50 representation) on both the National and Local Dock Labour Boards set up in 1947" (1992b:233). The situation in Australia changed in 1956 when the Stevedoring Industry Authority was established which incorporated union as well as employer representatives (ibid:233). However the Waterfront Industry Commission in New Zealand persisted in its original form until 1976 (see Chapter 9).

Commissioner, and was operated by an administrative staff. The labour bureaux were responsible for the day-to-day administration of the system, including the allocation of work and the payment of minimum and ordinary wages to waterside workers. The Commission through the local bureaux paid all wages and bonuses, but the actual cost of labour incurred when watersiders were 'employed' on a job was recovered by charging the shipping companies and stevedoring companies that requisitioned gangs of watersiders.

The Commission was responsible for ensuring that a bureau register was kept in each port which contained the names of all workers who were recommended to be registered by the Port Employers Association (PEA). The Act also specified that union membership was required in order for a worker to be registered, and it granted preference to registered workers. Furthermore it stipulated that the PEA, together with the local Port Conciliation Committees (PCC), had the right to recommend that a worker's name be removed from the bureau register. Similarly workers had the right to appeal deregistration to their local PCC. The right of union officials to inspect the bureau register at each port was granted and the officers of the Commission had the reciprocal right to inspect the register of members kept by each local union.

The concomitant of the state-regulated occupational registration system was the legal regulation of industrial relations. Most significantly, the Act placed the practice of industrial relations outside of the mainstream arbitration system by creating a 'mini arbitration system' specific to waterside workers and their employers. It should be noted, however, that other occupational groups on the waterfront (namely tally clerks, foremen-stevedores, and harbour workers) remained within the Arbitration system and subject to the rulings of the

Arbitration Court.[2] Under the 1953 Act a specialized institutional framework was created to regulate collective bargaining and to resolve disputes. Within this framework, the port unions and Port Employers' Association were legally registered (albeit under the Industrial Conciliation and Arbitration Act), which required their commitment to conciliation and compulsory arbitration.[3] In keeping with New Zealand's unique legally enforced national award system, the primary source of industrial regulation was a series of 'principal orders' issued by the Waterfront Industry Tribunal.

The Waterfront Industry Tribunal was a specialist labour court that comprised a judge, who was appointed its Chairman, and two other members. As in the case of the Commission, the Tribunal's members were not required to be union or employer representatives. The principal functions of the Tribunal, as specified by the Act, were as follows. First, the Tribunal was charged with making, amending and interpreting the principal orders which governed the terms and conditions of employment of waterfront workers (s 11). Provision was made for the unions and the employers, either individually or collectively, to apply to the Tribunal for a principal order. Applications for individual ports were made through the local Port Conciliation Committee, but an application for two or more ports had to be made to the Tribunal directly which then referred it to the National Conciliation Committee (see below). The respective committees were charged with initiating conciliation proceedings. Provision was made for "orders by consent" to be made by the Tribunal when the union and employers in conciliation agreed *in toto* or in part on the provisions within a newly negotiated order. In the case of such orders the Tribunal was not required to exercise its arbitration function. Decisions and

[2] The fact that these groups were not subject to the Tribunal further illustrates that the bureau system, at it was originally conceived, was designed to 'regulate' one specific occupational group, namely watersiders. This arrangement remained in place until a revised form of the Waterfront Industry Act was enacted in 1976. The new Act brought the other three main occupational groups within the ambit of the Tribunal. This development will be addressed in Chapter 9.

[3] The features of this state-regulated system, which was unique to New Zealand, will be elaborated further in the discussion of industrial relations in Chapter 5.

orders of the Tribunal were legally binding on all waterfront employers and employees. In line with its arbitration function, the Tribunal was empowered to consider and rule on "any disputes that arise in relation to waterside work" (s 10).

The Waterfront Industry Act provided for local Port Conciliation Committees which were to consist "of an equal number of employers' and workers' representatives with an independent Chairman" (s 31 (1)). The employers' representatives were to be nominated by the PEA with the provision that at 'railway ports' the Railways Department was entitled to nominate its own representative.[4] Similarly the union representatives were nominated by the local union. The PCCs were given a number of legislatively prescribed functions apart from their role in conciliation proceedings and in resolving local disputes. Each PCC was charged with ensuring an adequate supply of labour at its port, determining the number of registered workers at the port, and classifying waterside workers. Moreover, the Committees were required to "make and enforce bureau rules for the engagement and penalizing of workers engaged through labour engagement bureaux" (s 32 (1)c).

Insofar as the PCCs exercised, apart from a conciliation function, the administrative responsibility of formulating and enforcing rules regarding the day-to-day operation of ports, with regard to regulating the supply of labour and disciplining workers, a type of 'joint control' existed at the local port level. Decisions of the PCCs were made by majority vote. With equal numbers of union and employer representatives, the balance of power resided with the Chairman

[4] Railway ports usually had minimal or no access by road. At the time that the bureau system was established several ports were constituted as railway ports including two of the countries four major ports (the Port of Lyttelton and Port Chalmers). As a Commission of Inquiry into the role of the railways noted: "At railway ports . . . the railways employ the wharf labour, haul goods from the wharf, sort the shipments, and finally deliver the goods to local carriers or the consignees" (Royal Commission of Inquiry into Railways 1952:28). As a result of the recommendations of this investigation railway ports were abolished in 1955 and these functions returned to harbour boards, shipping companies, and stevedoring companies (Leitch and Stott 1988:109-110).

who exercised a casting vote. Similarly, the National Conciliation Committee comprised eight employers' representatives and eight union representatives along with an independent Chairman. However, unlike the PCCs, this committee was charged solely with a conciliation function in relation to bargaining.

The Waterfront Industry Tribunal was also responsible for determining appeals from decisions made by the National Amenities Committee and the National Conciliation Committee. Similarly, decisions made by the Port Conciliation Committees could be appealed to the Tribunal - with three notable exceptions. These were decisions regarding removing a worker from the bureau register, decisions on disputes over dirt money or head room (hence these aspects of workplace bargaining remained at the local level), and decisions concerning "any other dispute which the members of the Committee unanimously agree is of local significance only" (s 20 (2)a). Thus the powers of the Tribunal were limited in certain cases by the discretion at a local level of the PCCs. Finally, in "exercising its powers and functions" the Tribunal was given the brief of "promoting the efficiency of waterfront work" and of "ensuring the full and proper utilization of waterside labour for the purpose of facilitating the rapid and economical turn round of ships and the speedy transit of goods through ports" (s 10 (2)b).

It is apparent from this summary that the Waterfront Industry Act 1953 created a complex legal framework which regulated the employment of labour on the waterfront. In the following sections I examine the main corporate actors on the side of employers and of watersiders that the Act constituted, and their respective organizational capacities.

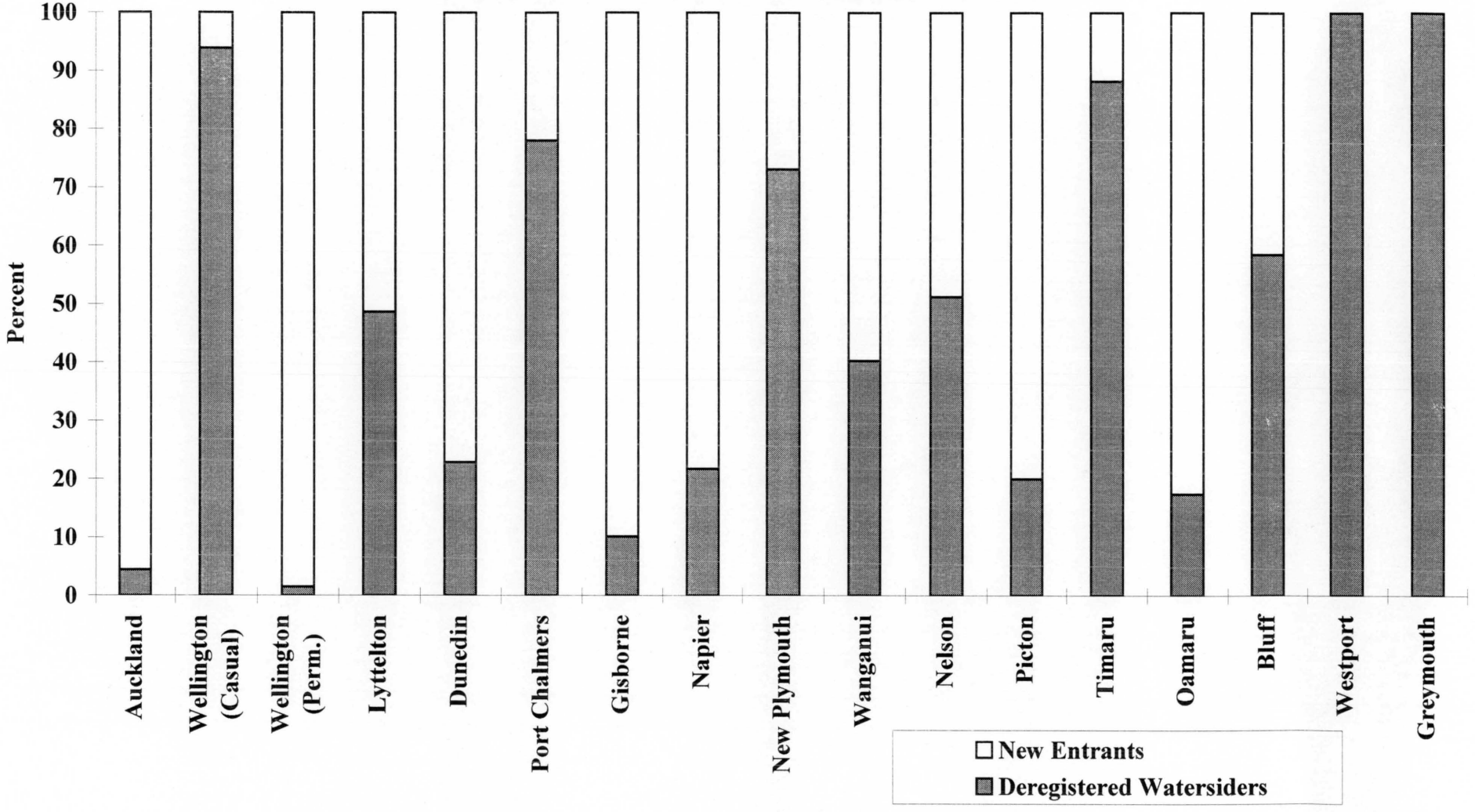
(3) The Port Unions

In this section I will examine how the port unions organized in the aftermath of the 1951 dispute, within the parameters of the legislative framework established by the Waterfront Industry Act 1953. It is beyond the scope of this section to comprehensively deal with all of the issues of labour politics surrounding the port unions (their key personalities, political affiliations, union democracy and so forth) and the representative organizations they formed.[5] Rather I will identify some specific organizational problems raised by the decentralized union form which was secured by law during the 1951 waterfront dispute. Given this structure, the primary tension that emerged was between organizing at the local level and organizing at the national level.

To recap, the decentralized union structure formally recognized by the Waterfront Industry Act 1953 was a product of the 1951 dispute. The national Waterside Workers Union was deregistered by the Government in 1951 and 26 new port unions registered in its place. As Bassett (1972:189) notes, these unions were "padded to varying degrees with members who had never before had experience of waterfront work." The deregistration of the national union meant that all watersiders were themselves 'deregistered'. Roth (1973:80) incisively observes that: "Deregistration had been the Government's main weapon in breaking the recalcitrant unions, but it was compulsory membership which made this weapon really effective because it forced the deregistered members to join the new Government-approved unions." Furthermore, the Government granted the employers the exclusive right to select new recruits to fill the 'empty vessels' that

[5] To some extent, these issues have been documented by Meade (1980). I will draw on aspects of her account of union politics, which focuses predominantly upon the years 1951-53. More generally, unofficial and political groups within the unions were insignificant with respect to the pattern of indutrial relations which developed in the time-period covered in the thesis. Consequently, although at various points I examine relationships between the rank-and-file and the unions, a detailed discussion of these groups is beyond the scope of the thesis.

Graph 3.1 Composition of New Port Unions



were the new unions.[6] Consequently, many deregistered watersiders (particularly those who had previously been union officials) were systematically excluded by the employers from joining the new unions. In short, they were expelled from the industry.

The level of discriminatory preferential hiring varied between ports. Overall, Graph 3.1[7] indicates the proportion of deregistered watersiders who were able to join each of the new port unions that were registered in 1951. For example, at Auckland the waterfront employers were successful in excluding most of the deregistered watersiders. There was also a preponderance of 'new unionists' (as they were called) at the ports of Oamaru, Picton, Napier, Gisborne and Dunedin. At other ports (such as Lyttelton, Nelson and Bluff) the membership was divided between deregistered watersiders and new unionists. However, at the ports of Timaru, Port Chalmers and New Plymouth, the membership of each union remained largely intact. And at the small ports of Greymouth and Westport, on the West Coast of the South Island, the membership was entirely comprised of deregistered watersiders (see Roth 1973:81). The situation at Wellington was somewhat more complex, where there were two unions: one dominated by deregistered watersiders and the other by new unionists.[8]

The creation of this type of union resulted in the emergence of a distinct set of organizational dynamics and tensions. The most salient tension at ports with

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[6] This arrangement was formalized after the 1951 dispute by the Waterfront Industry Act 1953 which granted formal control over recruitment to the Port Employers Association. Because compulsory unionism was extended to the waterfront under s 28 of the Act, whereby all registered watersiders had to join their local union, employers effectively had control over the composition of the port unions.

[7] Data sources for all graphs are presented in Appendix Two.

[8] As Roth (1973:103) explains, "During the 1951 waterfront dispute a Wellington Waterfront Workers' Union was registered to take the place of the deregistered union whose members had ceased work. When the old watersiders returned to work and gained the upper hand in this union, the new men walked out and formed a second organization, the Wellington Maritime Cargo Workers' (Permanent) Union which was also granted registration. This dual unionism persisted on the Wellington waterfront until the two organizations amalgamated in 1955."

'mixed' memberships was between 'new' unionists and 'old' unionists for control of the union. At ports like Auckland, by sheer force of numbers the dominance of new unionists within the local union was assured (see Roth 1993:160). Similarly within the unions where deregistered watersiders predominated (such as New Plymouth, Timaru and Port Chalmers), members from their ranks typically ascended to positions of leadership. Although the outcome was not so clear-cut at ports where the union membership was bifurcated, at many of these the deregistered men won out. For example, at the Port of Lyttelton deregistered watersiders regained leadership positions within the local union almost immediately (see Norris 1980:158-167).

Even at the Port of Wellington, where the two groups were divided into separate unions, deregistered watersiders were able to gain the upper hand.[9] In 1954, at a time of labour shortages, 248 watersiders were allowed to transfer across from the local Waterfront Workers Union to the Maritime Cargo Workers Union (Meade 180:134). These watersiders were later described by the President of the North Island Federation as doing the "work of educating the industrially uneducated."[10] The two unions subsequently amalgamated in 1955.

Coupled with the tensions between new and old unionists, the Government's establishment, by legal means, of this decentralized type of union form had important consequences for developments in the post-1953 period. It resulted in very different types of unions, both large and small, some controlled by deregistered watersiders, and others where the 'new unionists' held sway. These differences, in turn, generated tensions over organizing at a national level in the context of each union having local autonomy.

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[9] Meade (1980:107-36) provides a detailed account of how the amalgamation between the two union in 1955 was achieved.

[10] Minutes of North Island Waterfront Workers Association Conference, 6/11/56. New Zealand Waterfront Workers Union Records, 92-305, Box 3/15 (Alexander Turnbull Library, NLNZ).

It must be emphasized that, although the port unions had been created as a strike-breaking tactic by the Government during the 1951 dispute, there was no legal barrier to them forming a genuinely 'national' organization. Indeed, shortly after the dispute ended there were moves by some of the port unions to form a new national organization. A New Zealand Association of Watersiders was formed in August 1951. However, the Association's founding members were port unions where 'new unionists' dominated (Auckland, Dunedin, Bluff, Gisborne and Napier), and consequently it was not recognized by unions such as Lyttelton and Port Chalmers which were controlled by deregistered watersiders (Meade 1980:61). The incipient national organization subsequently fell apart under the strain of this division.

Two regionally based federations of port unions were then formed in 1952: the North Island Waterfront Workers Industrial Association and the South Island Waterside Workers Federation.[11] The union executive at the Port of Lyttelton, with the cooperation of the unions at the ports of Timaru, Westport, Greymouth and Oamaru, was the catalyst for forming the South Island Federation (see Meade 1980:64-8). The North Island Federation, on the other hand, was formed by the Auckland Union in concert with the 'casual' union at Wellington which was controlled by deregistered watersiders (see Meade 1980: 80-2).[12] By 1953, these federations incorporated the majority of the port unions.[13] A 'joint conference' of the two Federations was held in 1952 where the decision was made to establish a

[11] For the sake of simplicity, I will refer to these organizations as the 'North Island Federation' and the 'South Island Federation'.

[12] It is important to note that, in the interim, the Auckland Union had undergone a change in its leadership. Although it was still dominated by new unionists, the former individuals on the executive who were entirely hostile to the deregistered watersiders were replaced by a more moderate group (see Roth 1993:149-57).

[13] The North Island Federation comprised the unions at the following ports: Auckland, Napier, New Plymouth, Wanganui, Awanui, Opotiki, Gisborne, Wellington, and Whangarei. The South Island Federation comprised the unions at the ports of Lyttelton, Timaru, Oamaru, Port Chalmers, Dunedin, Bluff, Greymouth, Westport, Nelson, and Motueka.

'Joint Council' made up of four representatives of each Federation.[14] Through this forum the Federations' representatives consulted on matters of importance, particularly with a view towards cooperating in order to bargain at the national level with the Port Employers Association (see Chapter 5).

Under this organizational structure the port unions retained local autonomy with respect to decision-making and action, tempered only by the broad policy guidelines of their respective Federation. In this sense, the Federations were very much driven 'from below' by the port unions. The unions were decentralized, local actors organized around exclusive registers at the port level. Under the Waterfront Industry Act 1953 they were granted formal 'joint control' over register strengths and the making of bureau rules (although, significantly, not over recruitment). Together with this organizational structure, the port unions were formally empowered as actors within the realm of industrial relations and were fully able to enter into negotiations and agreements with individual employers and/or the Port Employers Association.

In the context of diverse types of unions (some dominated by 'new' unionists and some by 'old' unionists), this union autonomy posed a number of problems for the new federations. There was a constant threat of a union 'breaking away' and negotiating its own industrial agreement with the employers at a port. Indeed in 1953 the Picton Union (which was replete with new unionists) did just that. It withdrew from the South Island Federation, negotiated a port-specific agreement with the employers, and refused to ratify the new national agreement which had been negotiated that year (see Chapter 5). The case of the Picton Union disaffiliating from the South Island Federation illustrates the fragile unity of the

[14] Minutes of South Island Waterside Workers Federation Conference, 25/11/52. New Zealand Waterfront Workers Union Records, 92-305, Box 1/13 (Alexander Turnbull Library, NLNZ).

Federations which resulted from a dynamic tension between centralized and decentralized forms of organization and modes of action.

The tension between the national bodies and the local port unions was largely submerged in their dealings with the Port Employers Association during the late 1950s and for much of the 1960s (see Chapter 5). However this tension was clearly evident within each of the Federations during this period. It manifested itself in the problem of how to organize nationally, in the context of a split between the larger and more militant port unions which sought to establish a national organization, and the smaller and more conservative unions which did not.

These tensions, which centered on forming a national organization, were intertwined with the relative influence of certain types of unions within each Federation. Within the North Island Federation the largest unions were those of Auckland and Wellington, and in the late 1950s they emerged as the more militant ones. In the case of the Wellington Union this militancy was not unusual insofar as it was replete with deregistered watersiders (who had taken control of the union which had been established by new unionists). The Auckland Union, however, had been almost completely devoid of deregistered watersiders within its membership. As the Secretary of the union, Eddie Isbey, was later to comment:

> There were not the old hand in the membership who had a knowledge of the industry and of unionism in the days gone by, and this as a matter of course had an effect on the organization in its early stages.[15]

Roth (1993), in his history of the Auckland Union, provides a good account of the way that this union was systematically 'rebuilt' during the 1950s. Very rapidly

[15] Minutes of South Island Waterside Workers Federation Conference, 29/11/60. New Zealand Waterfront Workers Union Records, 92-305, Box 1/14 (Alexander Turnbull Library, NLNZ).

there emerged within the union's ranks a 'new guard' of left-leaning militant watersiders, amongst whom was Eddie Isbey, who ascended to executive positions within the Union.[16] This process was consolidated when Isbey became the union president in 1956. Indeed the Port Employers Association was moved to remark in its 1958 Annual Report that he had "triumphed over the more moderate element."[17] The Auckland Union was one of the first of the port unions to threaten strike action after the 1951 dispute, and alongside Wellington it became one of the country's more militant unions in the late 1950s (see Roth 1993:165-9).

The Auckland and Wellington unions quickly came to exercise a considerable degree of influence within the North Island Federation. Its executive officers were largely drawn from these unions: Jim Napier, a member of the Auckland Union, was the General Secretary of the Federation from 1953-67, and Eddie Isbey (the President of the Auckland Union from 1956-60 and 1961-68) became the President of the Federation in 1957 (Roth 1993:167). Overall, the North Island Federation was more militant than the South Island Federation, and from very early on it had sought to amalgamate with the South Island Federation in order to create a national organization.

The South Island Federation, on the other hand, was somewhat different in composition and outlook. This Federation was led by Jim Roberts, a former national secretary of the deregistered Waterside Workers Union (see Roth 1973:82).[18] The 1957 Port Employers Association Report stated that "The South Island Federation appears to be mainly held together by loyalty to the reputation of

[16] Roth notes that "Isbey, a London-born merchant seaman, had worked on the Sydney waterfront before starting on the Auckland wharf in 1954. In the same year he joined the Labour Party. A year later he was elected to the union executive, in May 1956 he was elected vicepresident and in July, when [Bill] Hooker resigned, he succeeded him as president" (1993:166).

[17] NZPEA Report (1958:30). Port Employers Association Records, 89-395, Box 129 (Alexander Turnbull Library, NLNZ).

[18] Roberts ceased to be the Union's General Secretary in 1942 shortly after he was appointed to the Waterfront Control Commission, the war-time predecessor to the Waterfront Industry Commission (see Roth 1973:79-84).

Mr J. Roberts."[19] Although this comment undoubtedly oversimplifies the structure of the Federation, it does indicate the centrality of Roberts as its general secretary.

The largest union within the South Island Federation, at the Port of Lyttelton, had been instrumental in forming the Federation and was controlled by deregistered watersiders who almost immediately looked to the formation of a national organization (see Meade 1980:151-6). However the South Island Federation also comprised a number of smaller unions that were more conservative in outlook (such as Oamaru and Nelson) and opposed the formation of a national organization. Paradoxically a number of these unions (such as Westport, Greymouth, and Timaru) had retained the bulk of their former membership (deregistered watersiders, that is) after the 1951 dispute. But it was precisely because they had that led them to be suspicious of moves to form a national organization. There was a concern amongst the members of the smaller South Island unions, which stemmed from their experience in the 1951 dispute, that such an organization might be dominated by the larger North Island unions of Auckland and Wellington. As Meade notes (1980:152), many members of the smaller South Island unions regarded the larger branches of the former national union (invariably Auckland and Wellington) as having dominated the Union, and as having drawn them into the fray in 1951.

This type of sentiment was expressed frequently at the annual conferences of the South Island Federation during the 1950s. For example, in response to a remit presented to the 1954 Conference by the Lyttelton Union, that proposals be formulated regarding the formation of a national organization, an Oamaru Union representative (A. McKay) stated:

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[19] NZPEA Report (1957:4). Port Employers Association Records, 89-395, Box 129 (Alexander Turnbull Library, NLNZ).

> the Oamaru Waterside Workers were definitely opposed to association with the North Island. . . . They were afraid of domination by the North Island unions again.[20]

The majority of unions in the South Island Federation were wary of a national organization, and most definitely opposed to a national *union* as such. Although Jim Roberts favoured a national organization, he himself had been scathingly critical of the actions of the deregistered Union's leadership during the 1951 dispute and was circumspect about attempts to establish a national organization given the view of the majority of South Island unions. Similarly the President of the Federation from 1952 until 1962, Paddy Weith, had been "the champion of the rights of the smaller branches" while the Secretary of the Waterside Workers Union's Timaru branch prior to 1951, and he was equally wary about forming a new national organization (Meade 1980:153).

In terms of the particular character of 'union politics' at this time, apart from the contest between deregistered watersiders and the 'new unionists' within the port unions, the over-riding issue was the problem of how to organize nationally. The principal split was between the North Island Federation, supported by the Lyttelton Union, which sought to establish a national organization, and the smaller and more conservative unions within the South Island Federation.

At the North Island Federation's Conference in 1956 a remit was passed that supported the formation of a national federation.[21] Throughout the rest of the 1950s the North Island Federation, together with the Lyttelton Union, pushed for amalgamation with the South Island Federation. But because of the opposition of the majority of the port unions in the South Island this did not occur. Yet it must

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[20] Minutes of the South Island Waterside Workers Federation Conference, 4/12/56. New Zealand Waterfront Workers Union Records, 92-305, Box 1/14 (Alexander Turnbull Library, NLNZ).
[21] Ibid.

be emphasized that alongside these failed attempts by the North Island Federation and the Lyttelton Union to effect a union between the two Federations, through their Joint Council the Federations cooperated in bargaining with the Port Employers Association to good effect (see Chapter 5). Thus these 'internal' divisions did not manifest themselves 'externally' in the relationships of the federations with the employers. That this cooperation between the Federations did not result in them amalgamating was to the consternation of the North Island Federation's national officials. President Eddie Isbey, who was invited to address a South Island Federation conference in 1960, stated that:

> It is strange but true that on all questions of national importance the South Island representatives and ourselves have moved together jointly whether it has been meeting the Employers, the Government, the Commission or the Tribunal, yet when it comes to the logical follow through of one organization there seems to be a barrier somewhere.[22]

When a ballot of the members of the South Island Federation was held in 1964, the result was 429 in favour and 889 against amalgamating with the North Island Federation.[23] This demonstrates that opposition to amalgamation overwhelmingly came from the rank and file. Nonetheless, the situation differed between unions. For example, the Lyttelton Union had held ballots of its own in 1954, 1956 and 1962 which each time had supported the creation of a single federation of port unions (Meade 1980:155). Similarly, the Greymouth and Port Chalmers unions supported amalgamation (ibid:166).

The development which finally led to the formation of a national organization was the secession of two unions, Lyttelton and Port Chalmers, from the South Island

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[22] Minutes of the South Island Waterside Workers Federation Conference, 2/2/60. New Zealand Waterfront Workers Union Records, 92-305, Box 1/14 (Alexander Turnbull Library, NLNZ).
[23] South Island Federation Executive Circular, 17/7/64. New Zealand Waterfront Workers Union Records, 92-305, Box 1/15 (Alexander Turnbull Library, NLNZ).

Federation to the North Island Federation. The Lyttelton Union resigned from the South Island Federation after the ballot of its members in 1962 which supported joining the North Island Federation (Norris 1980:192). The Union then sent delegates as observers to this Federation's annual conference in 1962, and increasingly aligned itself with the Federation's policies. It was formally accepted into the North Island Federation in 1964. The secession of the Lyttelton Union coincided with the retirement of Jim Roberts from his position as the South Island Federation's general secretary (ibid:193).

The secession of the Port Chalmers Union from the South Island Federation after a ballot of its members in 1966, together with the Dunedin Union's threat to follow suit, led the remaining unions to consider amalgamating with the North Island Federation (see Meade 1980:166-71). At the South Island Federation conference in 1966 a remit was passed to the effect that amalgamation with the North Island Federation should occur, and as a result the united Waterside Workers Federation was formed in January 1967. Within the new Federation, representatives of North Island unions were elected to the positions of general secretary, assistant general secretary and president, and they also occupied half of the positions on the executive (ibid:170-1).

It must be emphasized that the national organization formed by the port unions in 1967 was a *federation*, and not a national union as such. Consequently, within this organization the port unions retained their local autonomy. Together with their continued recognition as key actors by the Waterfront Industry Act 1953, this autonomy continued to be a potential threat to national unity. As the case of the Picton Union demonstrates, there was always the possibility that a union would break ranks, either in industrial action or in bargaining, and 'go it alone'. As I will demonstrate in Chapter 5, that is what occurred in 1970; however at this time it was not a small and conservative union that acted independently, but rather the

two most numerically significant unions. The militant Auckland and Wellington unions, which had previously been central to the North Island Federation, posed a potentially explosive threat to unity within the Federation. The tension between centralization and decentralization therefore continued to be an important dynamic within the new national organization.

(4) The Port Employers Association

In this section, I examine how the waterfront employers were organized. As in the preceding discussion, I will deal with the manner in which the organizational capacities of the employers were influenced by the framework of legal regulation. Contra Offe and Wiesenthal (1980), who argue that it is 'natural' for capital to organize (and indeed more natural than for labour to do so) because of a homogeneity of interests at the economic level, I will demonstrate that there was a fundamental cleft within the employers' organization which did pose organizational problems for the employers. These problems, while not as acute, were comparable to those faced by the watersiders' Federations. As Kimeldorf (1988:79) notes, in a similar analysis of how waterfront employers organized on each of America's seaboards, "capital's own organizational capacities, like labor's, are far from absolute."

In a sense, the legislative framework established by the Waterfront Industry Act 1953 required the existence of an employers' organization, which it constituted as a key corporate actor. In the realm of employment relations the system of occupational registration removed from individual firms the right to make decisions about the composition and size of the labour supply at the port level, and instead conferred this right upon the employers' organization. Collectively, the employers also had an interest in forming a united organization in order to exercise disciplinary control over individual firms, which were empowered by the

Act to negotiate with the port unions within the sphere of industrial relations. Similarly, insofar as the Act provided for bargaining at the national level, which the watersiders' Federations readily sought to effect, the employers organized at this level in order to 'mirror' the approach of their counterpart.

This legal framework meant that individual employers, while competing at an economic level, had to cooperate within a representative organization. The term coined by Gospel (1992) for this mode of organization, wherein employers' organizations are formed and act on behalf of individual employers, is 'externalization'. Whereas Gospel coined this term to analyse developments in employer strategy in Britain, on the waterfront in New Zealand an 'externalized' form of organization was not merely the result of a freely formed employer strategy. Rather this term is a useful 'shorthand' way of describing the arrangements that resulted from legal regulation, which *necessitated* the existence of an employers' organization.[24]

Although a 'summit' organization on the employers' side was, in this sense, produced by the system of legal regulation, the one that was recognized by the Act (the Port Employers Association) had been formed several years earlier in 1949.[25] Unlike the summit organizations that the port unions formed (which were two loosely knit federations linked via a 'joint council'), the Port Employers Association was a centralized national organization whose branches at the port level had only a modicum of local autonomy. While membership of the Association was not compulsory, in practice the majority of waterfront employers in the 1950s and 1960s were members.

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[24] For a discussion (on a broader scale) of the effects of the legal regulation of industrial relations upon employer organizations in New Zealand, see Brosnan et al. (1990:128-58).

[25] Until that time, the waterfront employers had been represented by the Waterside Employers Association which had been formed in 1925 (see Green 1992:103). The Port Employers Association assumed the functions of this latter organization.

The Port Employers Association was directed from the national level by an elected 'Management Committee' which comprised nine elected representatives of its member companies, along with a general secretary appointed by these representatives. The Association had branches at the port level that were managed by a branch committee, a chairman, and a branch secretary. Like the general secretary, the branch secretaries were employed (at the larger ports on a full-time basis) by the Association. The local branch committees comprised representatives of the firms that were members of the Association at each port. In the 1950s, the number of members of the PEA at the port level ranged from 18 at the port of Auckland to just two at the minor port of Westport. In general, the main employers within each port were represented on the branch committee. However, insofar as the maximum number of representatives on branch committees was nine, at the larger ports like Auckland not all of the Association's members were represented during the 1950s.[26]

Although the Port Employers Association was a national organization that was centrally administered, it was fundamentally divided between two separate 'interest groups'. The lines of division within the Association corresponded with the main types of companies that were involved in stevedoring.[27] On the one hand, there were large overseas shipping companies which carried out their own stevedoring (either through their own stevedoring department or through subsidiary stevedoring companies). Of these, the largest was the Union Steam Ship Company, followed by the four British Conference Lines (Shaw Savill and Albion, Port Line, Blue Star and the New Zealand Shipping Company). The coastal shipping companies, many of which also carried out their own stevedoring,

[26] Because of the number of employers at the port of Auckland, the size of the branch committee was increased to 12 in 1964 at the PEA's Annual General Meeting. Minutes of Port Employers Association Annual General Meeting, 16/10/64. Port Employers Association Records, 89-395, Box 203 (Alexander Turnbull Library, NLNZ).

[27] Insofar as Chapter 8 is devoted to an analysis of the companies that were involved in stevedoring, in this section I will only provided a brief outline of the main company types.

constituted the second set of interests. The third type of company, that of 'independent' stevedoring companies, was confined to small, locally based companies that operated at just one or two ports (see Chapter 8).

Insofar as the 'independent' stevedoring companies were not a major force at this point, the principal split within the Port Employers Association, throughout the 1950s and much of the 1960s, was between the two different groups of shipping companies. The large shipping companies were grouped into the Overseas Shipowners Committee, while the coastal shipping companies were represented by the New Zealand Shipowners Federation. Thus the PEA was itself largely composed of representatives of two different organizations that represented shipping companies. This structure was reflected in the composition of the Association's Management Committee during the 1950s and 1960s.[28]

In some respects, the interests of these two main groups within the PEA differed substantially. The minutes of Management Committee meetings show that the Committee spent a considerable amount of its time resolving differences which emerged between these groups at the port level. For example, a dispute that frequently arose between the two groups was whether overseas vessels or coastal vessels should have priority in the allocation of labour at times of labour shortages.[29] Throughout the 1950s and 1960s numerous disputes of this type were referred to the Management Committee to resolve. Similarly, inter-firm

[28] In 1957 the Management Committee comprised two representatives of the Union Steam Ship Company, one representative of each of the British Conference Lines, and one representative of the Federal Steam Navigation Company, Anchor Shipping and Richardson and Company (these latter being two of larger coastal shipping companies). In 1963 the Management Committee was essentially the same, except that the representative of Richardson and Company had been replaced by a member of the Canterbury Steamship Company which, once again, was one of the larger coastal companies. Port Employers Association Records, 89-395, Box 203 (Alexander Turnbull Library, NLNZ).

[29] These differences were given a full airing at the PEA Management Committee Meeting 314, 18/7/62. Port Employers Association Records, 89-395, Box 202 (Alexander Turnbull Library, NLNZ).

disputes over the availability of cranes and other cargo-handling equipment were frequently dealt with by the Committee.

As well as attempting to resolve the inter-firm disputes between "the overseas interests" and "the coastal interests" (as the minutes of Committee meetings frequently referred to them), the Management Committee also had to deal with differences between these groups regarding their relationship with labour. For example, the Committee was required to resolve differences over the terms and conditions that each groups believed should be sought in national bargaining, and the types of concessions that should be made.[30] The Management Committee also established policy regarding how the local branches of the PEA, and individual firms, should handle disputes which occurred at the local port level. Often entire Committee meetings would be taken up with this issue, and in some cases meetings were specially convened to deal with a particular dispute.

Apart from reconciling the differences of interest which resulted from this cleft within the organization, the PEA Management Committee, like the union Federations, also had to deal with the problem of controlling its *individual* members within the realm of industrial relations. Within employment relations, insofar as individual firms were not constituted as actors they were required to 'externalize' their decision-making regarding the labour supply to the local branch of the Association. Thus firms could only influence decisions in this area by attempting to shape the policy of the Association. However within industrial relations the Act empowered individual firms to negotiate industrial agreements with port unions, which the Association could only control by exerting pressure on

[30] For example, in the national bargaining round in 1967 a difference of opinion emerged between the two groups. The New Zealand Shipowners Federation representatives argued that a wage increase should be offered, whereas the Overseas Shipowners maintained that the matter should be submitted to arbitration. In this case, the Management Committee decided to offer the wage increase. Minutes of PEA Management Committee Meeting 414, 20/4/67. Port Employers Association Records, 89-395, Box 203 (Alexander Turnbull Library, NLNZ).

its members to adhere to its policy in this area. The policy was that the Management Committee had to consent to any such negotiations. Consequently, as I explain in Chapter 5, the balance between national bargaining and local bargaining was somewhat fragile, and was dependent on the organizational capacities both of the PEA (together with those of the Federations) to keep their members 'in line'.

In this area the Association's task was complicated by the fact that firms were not required to join it. However the Association had considerable success at drawing in companies, because of the resources at its disposal (particularly with respect to representation). Once firms became members, the Association then sought to hold them to its policy. Dillingham Transportation Ltd (an owner and operator of tugs and barges), which applied to join the Association in 1967, is a case in point. An excerpt from the minutes of a Management Committee meeting illustrates the point:

> It would certainly be of advantage for the Company to be a member of the Association because the Association had already, to some extent, been adversely affected by agreements made by the Company with waterside workers without reference to the Association.[31]

Like the watersiders' Federations, then, the employers' summit organization was internally divided and it faced the familiar problem of how to exercise disciplinary control over its membership. There is no doubt that some employers regarded this 'externalized' mode of organization, and the Port Employers Association itself, as much as a source of constraint as enablement in their relationships with waterfront labour. A comment by a former manager of a stevedoring company succinctly expresses this view:

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[31] Minutes of Port Employers Association Management Committee Meeting 427, 15/11/67. Port Employers Association Records, 89-395, Box 203 (Alexander Turnbull Library, NLNZ).

> It was a terrible setup, really. You had the Port Employers Association which I always referred to as the Port Destroyers. . . . There were countless committees. Every port had its own Port Employers Association at the branch level. . . . Then you had a Management Committee in Wellington, and then that had about six committees springing off that. And you spent your whole day, your whole working life virtually, going to meetings in Wellington. Everybody ran to Wellington. And it was a very top heavy thing. (Interview)

However, like the union Federations in another respect, these differences were largely able to be resolved internally throughout most of the 1950s and 1960s. The Association had a considerable degree of success throughout most of this period in reconciling the divergent interests of its two main groups, and in coordinating at a national level the actions of its members.

Employer disunity only began to emerge in the lead-up to containerization in the late 1960s. The split between the two main interest groups within the PEA was kept largely under control until the late 1960s, when the introduction of container technology was being contemplated. At that time, tensions between the overseas interests and the coastal interests began to surface increasingly frequently, particularly over the differences in the terms and conditions that each of these interest groups wanted the PEA to pursue in national negotiations with the Federations. For example, the Overseas Shipowners sought to introduce shiftwork but the coastal shipping companies opposed this move (see Chapter 5).

Furthermore, the divisions within the Port Employers Association were exacerbated by the emergence of new sets of actors and interests on the employers' side (see Chapter 8). Whereas, previously, shipping companies (albeit of two different types) controlled stevedoring and the PEA, this pattern changed in the late 1960s. As the 'independent' stevedoring companies grew in size and

importance they came to constitute a distinct set of interests, of some influence, within the PEA. As early as 1965 Mount Maunganui and Tauranga Stevedores, a stevedoring company based at the Port of Tauranga, threatened to break with the Association and establish a separate organization to represent stevedoring companies.[32] Although such an organization was not formed until 1978 (see Chapter 9), the actions of this latter company were indicative of a new sets of tensions which began to emerge within the PEA, as new types of firms entered the scene prior to and during the shift to containerization.

Indeed the composition of the Port Employers' Association changed over time as new corporate actors emerged in the late 1960s. The principal split between the overseas and coastal shipowners, although it still existed within the organization, gave way to a different intricate set of divisions which centered particularly on a cleft between the shipping companies (both overseas and coastal) and the stevedoring companies. Furthermore, the PEA increasingly became unrepresentative of the main types of firms that operated within the industry, which resulted in the formation of a new employers' organization. As I will demonstrate in subsequent chapters, the resulting differentiation of actors and interests began to undermine the organizational capacity of the employers as a 'bloc'.

(5) Conclusion

In this chapter I outlined the provisions of the Waterfront Industry Act 1953, identified the key actors which were constituted by it on the sides of capital and labour, and the respective organizational capacities of these actors which developed within the context of this framework of legal regulation. This

[32] Minutes of Port Employers Association Management Committee Meeting 371, 20/1/65. Port Employers Association Records, 89-395, Box 203 (Alexander Turnbull Library, NLNZ).

discussion serves as a precursor to examining how the power relations between the key actors developed within the spheres of employment relations, industrial relations and work relations.

Although the employers' and unions' summit organizations were divided internally, these divisions were largely subordinated in their dealings with each other. But despite this 'united front', their respective organizational capacities ebbed and flowed in this period. The unions rebuilt their national organization during the 1960s but, as we shall see, this faltered in 1970. The decisive factor in the instability which emerged in 1970 was the resources that the legal framework made available to individual unions (see Chapter 5). The employers, on the other hand, already had a national organization. However it too contained divisions, which became exacerbated in the late 1960s.

In a sense, then, the following three chapters are a chronicle of a dynamic of increasing union control and, towards the end of the period examined (in the late 1960s), the emergence of a persistent source of employer disunity that was to become a principal cause of weakness in the 1970s. In subsequent chapters I will demonstrate that, whereas the Waterside Workers Federation was able to resolve the internal divisions which became manifest in 1970, the Port Employers Association was not able to do so; in each case the level of 'internal strength' of each of these corporate actors decisively impacted upon their 'external strength' (Fox and Flanders 1969:155).

CHAPTER 4 : EMPLOYMENT RELATIONS 1953-1971

(1) Introduction

In this chapter I examine the pattern of power relations that developed within the labour market (or the sphere of 'employment relations', as I have labelled it) between the key institutional actors that were constituted by the Waterfront Industry Act 1953. The analysis centers on identifying the degree of control that each of these actors, respectively the port unions and the Port Employers Association, were able to exert over various facets of the labour supply during the years from 1953 until 1971.

In the analysis I draw on a model developed by Fligstein and Fernandez, who suggest that "labor markets are organized systems of conflict" (1988:23). In this view, the organization of the labour market is an outcome of the power relations between the key actors within it. In turn, this outcome is based on the resources that the key actors can secure control of, and hence their "relative power". Taking this approach as my point of departure, I identify the effects of the system of labour administration, which secured the labour market by institutionalizing an occupational registration system. This system, in turn, created a series of local labour markets that were organized around exclusive registers at the port level. I examine how the occupational registration system shaped the pattern of power relations which emerged within the labour market. These outcomes were contingent, insofar as they were dependent on the strategies of the collective actors, the institutional framework that they were subject to, and the "power resources" (Batstone 1988:223) that they were able to gain control of within the labour market.

The chapter begins with some preliminary observations about the waterfront labour market. It then shifts to identify the relative control of the key actors over each of three aspects of the labour supply: recruitment, workforce size, and work allocation. I end the chapter with some analytical observations about the structure of the labour market.

(2) The Organization of the Labour Market: Preliminary Observations

> *Institutional labour markets create truly noncompeting groups. Markets are more specifically delimited, and entrance into them, movement within them and exit from them more precisely defined. Such labour markets find their definition not in the composite of individual preferences but in precise rules. 'Natural' frictions are replaced by institutional ones; the free and ignorant man by the exclusive and knowledgeable group.*
>
> Clark Kerr (1954:193)

The bureau system of labour administration, in effect, created an institutional labour market regulated by a set of formal rules and procedures. Insofar as this system was based on the principle of labour registration, some brief comments on the properties of registers are warranted. In the abstract, a register functions as a record that is used to, or assists in, the classification of individuals. In carrying out this task registers can take the form of passive records (as files or lists) or they can be actively used as administrative mechanisms to carry out organizational tasks. Furthermore, registers can be differentiated according to whether they are inclusive or exclusive in nature. Craft unions, for instance, operate as exclusive organizations that use registers in order to secure skill. Conversely, inclusive registers are often established to facilitate the testing and treatment of some medical conditions. Although the abstract characteristics of registers can be identified, registers do not exist in the abstract. Exactly how a register is used (whether actively or passively, inclusively or exclusively) is not predetermined, but rather depends on how the register is instantiated in a specific context.

The bureau system of labour administration constituted a series of local labour markets within specified geographical limits that were organized around *exclusive* registers. To use a term coined by Parkin (1979:45), in his systematic reworking of Weber's concepts, this system resulted in a form of "exclusionary closure" within waterfront labour markets. The state granted waterfront workers the status of a "legally privileged group" (Weber 1968:342) which afforded them permanent status in the labour market, and by linking registration to union membership the Waterside Workers Union secured a state-sanctioned "legal monopoly."[1] By establishing a registration scheme which systematically closed the labour market to 'outsiders' (to invoke another of Weber's metaphors), the bureau system shaped the power relations between the key actors.

Within this labour market the traditional rights of firms *qua* employers were abrogated which had the effect of 'decentering' individual firms as significant actors in the labour market. Competing firms were forced to cooperate through the local Port Employers Association and to 'externalize' decisions over the supply of labour (which under normal circumstances they would control) to this organization. Management strategy in relation to the labour supply was therefore developed at the level of the port (through the PEA), rather than the firm. Firm size was eliminated as a significant variable in the organization of the labour market: large companies (such as the Union Steam Ship Company) and smaller companies (such as the Canterbury Steamship Company) coexisted in ports and were represented on the local branch of Port Employers Association. Consequently the "key actor" in the labour market, on the employers' side, became the employers' organization. Similarly, with respect to waterside workers, the

[1] In *Economy and Society* Weber writes of "jointly acting competitors . . . [who] form an 'interest group' toward outsiders" which, over time, may become a "legally privileged group" to which belong "privileged members" (1968:342).

"key actors" in the realm of employment relations were the port unions, rather than their respective federations or the workers themselves.

The waterfront labour market, therefore, was organized around the legally defined 'occupation', rather than around firms, taking a "labour-market-wide 'occupational' form" (Stinchcombe 1990:262), albeit based at the local port level. However the power relations between the key actors did not automatically flow from the mere fact of the labour market being 'closed' in this manner. Rather they crystallized over time within the broad limits circumscribed by the registration system. Thus it is necessary to identify the primary power resources with respect to the labour supply that were struggled over *within* this system.

Although registers are mentioned in most studies of the waterfront (e.g. Jensen 1964; Evans 1969; Finlay 1988), the discussion is by and large restricted to their role in decasualizing waterfront labour. Rarely are registers examined as a specific type of organizational 'tool' or administrative mechanism used to manage and regulate the supply of labour. Indeed the more sophisticated sociological literature on occupational registration is almost entirely limited to studies of professions (for instance, see Macdonald 1985; Witz 1992). A strength of authors within this field is precisely that they examine registers as 'contested sites'. But the fact that the literature on waterfront labour markets does not typically consider registers in this manner is, at least in part, a result of the distinctive features of some waterfront registration systems. For example, within the 'hiring hall' system on the West Coast of the United States, in which the union itself took the labour supply out of competition, registers are not 'contested' to the degree that they are within many professional labour markets (or, for that matter, within the bureau system in New Zealand).

The role of unions in regulating the labour supply in the American setting is not unique to the waterfront. Fligstein and Fernandez's (1988) model of labour market structure, which implicitly informs the approach I have adopted in this chapter, can be briefly used to highlight the distinctive features of New Zealand's state-sponsored system. Fligstein and Fernandez identify certain American craft industries (such as construction) as being characterized by 'worker-controlled' labour markets. Within these 'craft type' of labour markets the unions take the labour supply out of competition by controlling hiring and labour allocation. Within these labour markets recruitment and certification (or registration) and the allocation of workers to jobs are intertwined in that they are regulated by the union. Hence these authors can write unproblematically about craft industries in which worker-controlled recruitment leads to 'worker-controlled' labour markets, because recruitment and certification are linked through arrangements such as union-controlled apprenticeship schemes. In these cases, recruitment automatically confers certification, to wit when a person joins a union they have in fact been accepted to be trained. This arrangement allows the unions both to regulate the size of the labour supply and the individuals who comprise it. On the waterfront the equivalent of these craft labour markets is the union hiring hall system on America's West Coast wherein recruitment and registration are intertwined (in a similar fashion to recruitment and skill certification) such that the union, by maintaining and administering the register, is able to control all aspects of the labour supply (see Finlay 1988).[2]

However, the dynamics of the bureau system of labour administration in which the state, rather than the union, took the labour supply out of competition were very

[2] Indeed, the control that the ILWU exerts over the labour market has led some authors to describe these arrangements as conforming to a craft model of organization, and to bracket the industry with craft-based industries such as construction. Kerr (1954), for instance, in his classic discussion of the 'balkanization' of labour markets referred to waterfront unions as craft unions and labelled longshoremen 'craft workers'. More recently, Doeringer and Piore (1971:3-4) used longshoring and construction to illustrate the operations of 'craft internal labour markets'.

different from its American counterpart. Significantly, the state-sponsored registration system resulted in three independent sites (not one, as Fligstein and Fernandez assume) where struggles over the labour supply occurred: recruitment (the selection of potential candidates for registration), registration (the numbers that were allowed entry to the labour market and hence the size of the labour supply) and the rules of labour allocation (which regulated how registered waterside workers were allocated to jobs on a day-to-day basis). These sites were 'relatively autonomous' in the sense that control over one (such as recruitment) did not automatically confer control of the other two. The sections that follow will identify both the relative control that the key actors exerted over each of these facets of the supply of labour, and the outcomes that resulted.

(3) Recruitment Practices

> *Over at the three deepwater wharves a medly of masts, derricks, samson-posts and funnels caught the last of the sunlight and reflected a multi-coloured patchwork that would have made the fingers of any artist worth his salt itch for paint and palette. Indeed there was an artist present, but he was not painting. Instead, disguised by overalls, boots and thick woolen headgear, he was strolling slowly up a wharf in the company of opticians, mechanics, builders, bakers, athletes, politicians, drunkards, teetotallers, layabouts and lay-parsons. In short, the collection of men from all walks of life who comprised the Buchanan Union of Waterside Workers.*
>
> Michael Davis, *The Watersiders*

In this section I will examine the role of the local unions and Port Employers Association in the process of recruiting workers, and I will identify the respective degree of control this yielded over who was subsequently registered. The extent to which the resulting recruitment practices conformed to patterns identified in studies of other countries will also be evaluated.

A common thread in studies of the waterfront is that waterfront labour markets, particularly during the break-bulk era, are insular, communal, and therefore 'closed' (Kerr and Siegel 1954; Miller 1969; Hill 1976; Mills 1979; Pilcher 1972). This pattern is explained, at least in part, by the fixed spatial location of ports, which together with the physical proximity of the workforce results in waterfront labour markets being embedded within occupational communities. Consequently, patterns of worker recruitment reflect the insularity or 'strong ties' (Granovetter 1974) of these communities, such that kinship relations underpin the selection of workers. Philpott (1965:25), for instance, draws attention to the patterns of kinship that underpinned worker recruitment within the hiring hall system operated by the ILWU in Vancouver.

Kinship-based patterns of recruitment are closely linked to the mechanisms of skill transference on the waterfront. Because waterfront labour markets and work are often embedded within occupational communities skills are typically transmitted through traditional kinship-based forms of socialization rather than formal training. As Hill (1976:55) notes, these skills are "traditional in nature and have been passed down through generations of occupational members rather than by apprenticeships or other formal training." Although there are exceptional elements in Hill's case because of the existence of self-organized work groups in the Port of London (which resulted in recruitment to the work-group rather than the union), the studies by Pilcher (1972) and Philpott (1965) suggest that these patterns also exist on America's West Coast where it is the union that regulates the labour market. Both jobs and skills are transmitted intergenerationally and skills, as such, are typically acquired 'on the job' once entry to the labour market had been secured. Additionally, in the case of waterfront workers who had previously been seamen, there is a considerable element of 'positive transfer' between the skills acquired while at sea and those used on the waterfront. Indeed the high proportion of ex-seamen who are assumed to be located within the ranks

of waterside workers is a crucial component in the cross-national argument developed by Broeze (1991:169) regarding the homogeneity of 'maritime labour' such that it possessed "a clearly distinct socio-industrial and subcultural identity".

I will now examine the nature of recruitment practices on the waterfront in New Zealand, and the extent to which they conformed to this pattern. Under the Waterfront Industry Act 1953 the local branches of the Port Employers Association were granted the sole right to recruit workers to the bureau register. To recap, this formally codified the arrangement that developed in the 1951 dispute wherein the Government granted employers the right to recruit workers to fill the newly established port unions. This, in turn, disrupted the method of recruitment which previously had been controlled by the local branches of the Waterside Workers Union (see Green 1992:103). It marked a shift from a system of recruitment that was controlled by the union, and coupled with limits on the size of the union membership, to employer control of access to an exclusive register wherein registration conferred the right to union membership.

The local branches of the Port Employers Association were responsible for selecting candidates for registration. Prospective watersiders were required to fill out a standard application form which was then placed on file at the local PEA office in the port where they were seeking registration. The questions included on the form ranged from applicants' qualifications and previous work experience, to whether they had any relatives who worked in the industry. The names on file comprised a waiting list of men who were seeking registration. At some ports positions on the local registers were in demand. Captain Twyman, a retired Secretary of one of the branches of the PEA, commented that

> it was a well sought after job . . . we had people coming up to the Port Employers office and putting in an application, which we

> filed. And we had literally about a thousand of them. . . . we didn't turn anyone away from filling out a form. (Interview)

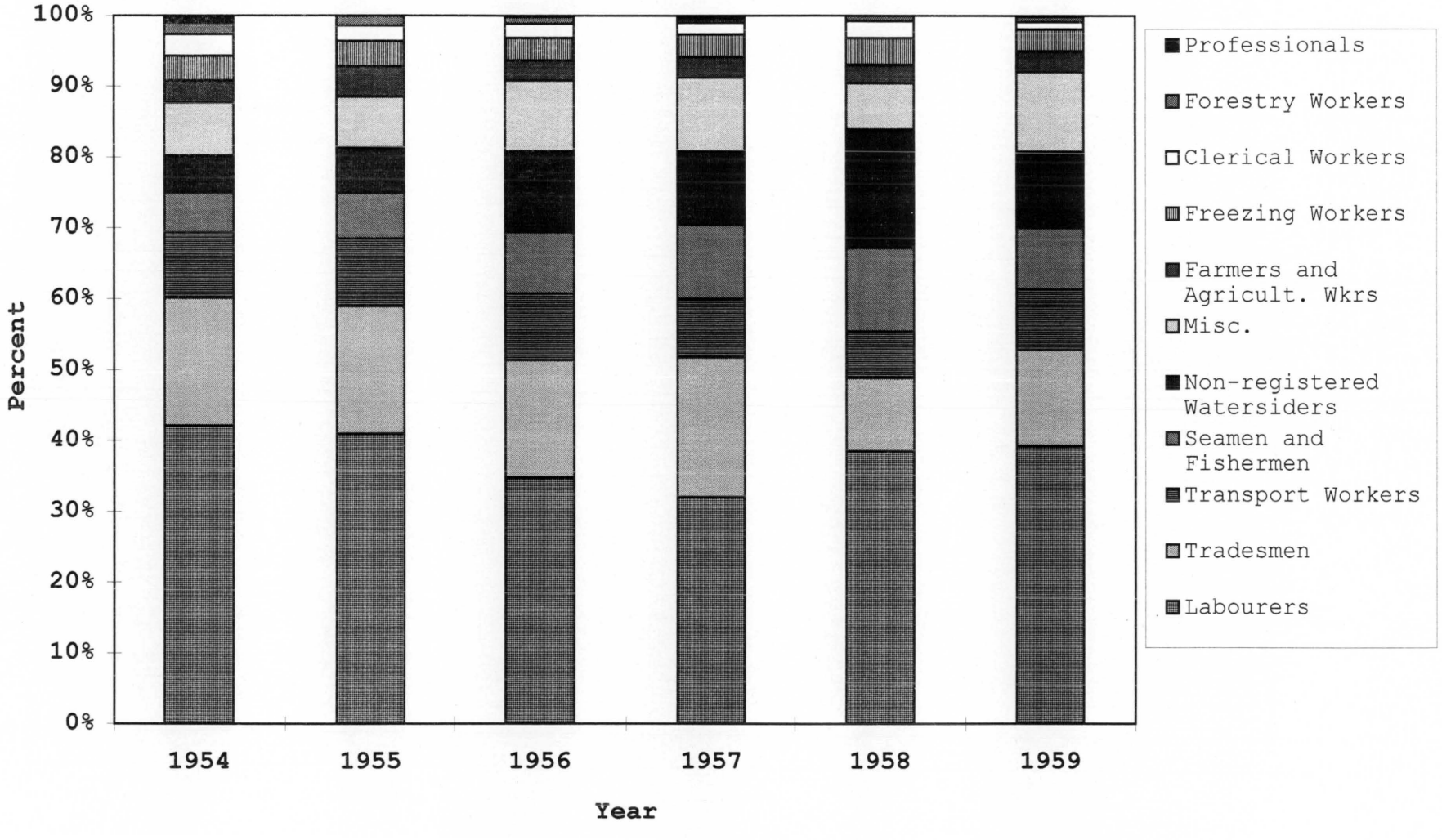
However the crucial stage for prospective applicants was when a 'short-list' of men was drawn up. When a decision was made by the Port Conciliation Committee to increase the size of the bureau register a list was drawn up by the Secretary of the PEA of men who were regarded as suitable applicants and who would be interviewed for the vacant positions. A few more men were selected to be interviewed than positions available and a 'reserve list' was established that could be drawn upon in case of a shortfall.

The actual criteria that were used for selection were diverse. Although on occasion individual employers recommended that a man be placed on the list, the PEA Secretary referred to above was largely able to exercise his own discretion in selecting men. Often candidates did not have references from previous employers and the information on the background of prospective watersiders that was available to the PEA was sometimes limited to the information supplied on the application forms. For this reason Captain Twyman made a point of giving the list to the police in order to screen out applicants who had a criminal record. As he recalls:

> I used to always take the list to the police, which is illegal. . . . But they used to do it for me to help me, although they used to say they really shouldn't. . . . But there weren't many that we rejected in this way. (Interview)

An important supplement to the anecdotal material gleaned from interviews is quantitative data on the occupational backgrounds of newly registered waterside workers. The data, published in annual reports of the Waterfront Industry Commission, is available for the first five years after the bureau system was established and allows for the identification of industry-wide trends in recruitment

Graph 4.1 Previous Occupations of New Bureau Members

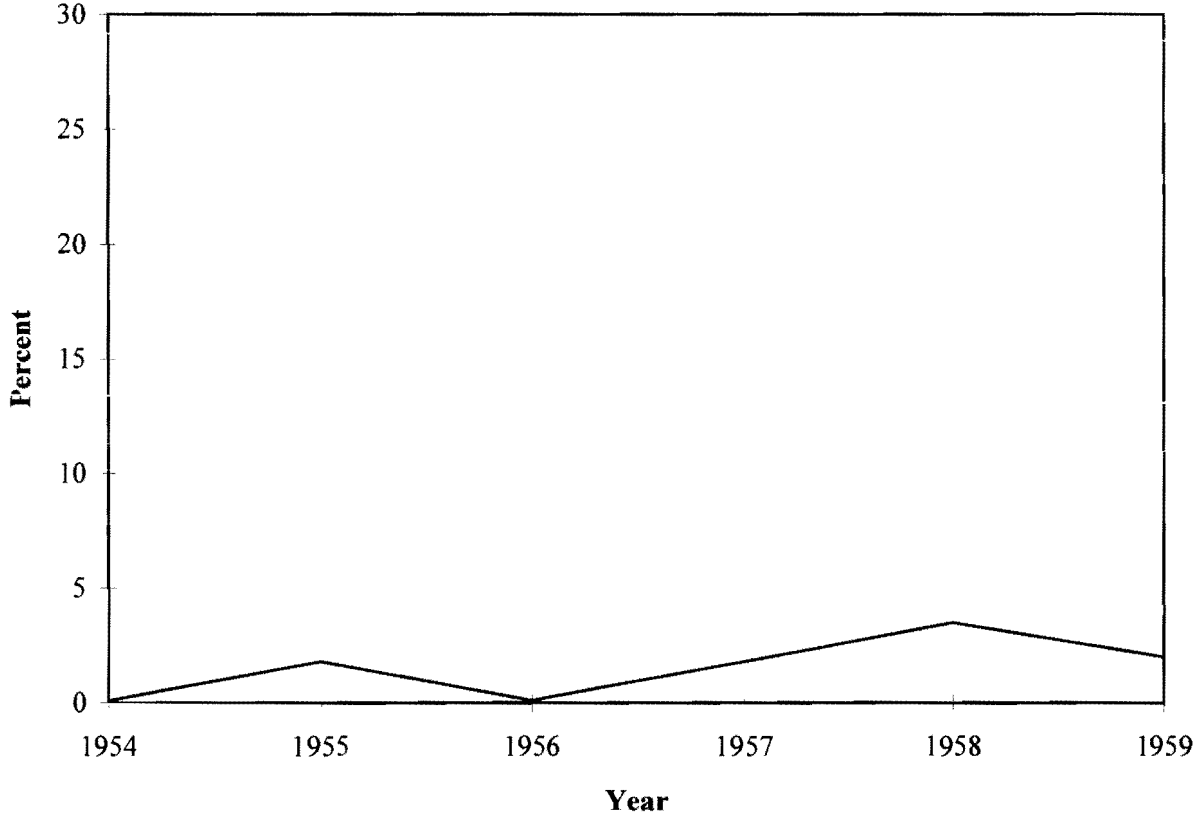


patterns. As such, it sheds light on the insularity or openness of the labour market in general. It can also be used to reflect on patterns of skill-transmission particularly with respect to Broeze's claim regarding the seafaring background of many waterfront workers.

When gauged in terms of newly registered watersiders' previous occupations, the labour market that watersiders were drawn from was 'open' and diverse. The mix of occupations is eclectic and it appears that no one skill-set was favoured. The most striking feature of the Graph 4.1 is that the most common occupational background is that of 'labourer' (which is consistently between 32% and 42%). However, the next largest category is that of 'tradesmen' (between 10% and 20%), skilled workers who chose to forgo trades for work on the waterfront. This trend corresponds to the sentiments expressed by one of the recruitment officers in the interview cited above. The remaining 'new entrants' were drawn from an assortment of occupations. Interestingly enough, the proportion who were seamen was relatively small, ranging from 5% to 12%. These findings supply an important corrective to the view that an insular occupational community, largely comprised of ex-seamen, existed. Broeze (1991:169) notes that "Although as yet no quantitative study has been made of the subject, it . . . seems reasonable to accept that many dockers had served at sea before settling down ashore." In New Zealand, some new entrants to the bureau registers were ex-seamen but the majority were from other occupational backgrounds. This finding is all the more important given that New Zealand is one of the countries to which Broeze applies his generic concept of 'maritime labour'. At least on entering the labour market, watersiders did not constitute a homogeneous group.

Although it is not possible from the data presented to assess in detail the degree of intergenerational job transfer or the importance of kinship ties (any number of watersiders' relatives could have worked in other occupations before applying to

Graph 4.2 Percentage of Inter-Port Transfers



the register), one of the typical paths for them would have been to work on the waterfront as a casual labourer with a view to becoming registered.[3] However, the number of non-registered workers who eventually became registered was relatively small; not many newly registered waterfront workers had prior experience of having casually worked on the waterfront.

While the labour market that newly registered watersiders were drawn from was relatively open, Graph 4.2 demonstrates that mobility between ports was limited in that consistently less than 5% of those who were newly registered were men who had been previously registered at, and transferred from, other ports. Hence, once registered, watersiders constituted a geographically *immobile* labour force. This indicates that the 'labour market', as such, was in fact composed of a series of *local* labour markets.

This analysis of recruitment practices reveals a somewhat different pattern than the kinship-based insular occupational labour markets identified in British and American studies. The profile of the new entrants to the labour market is that of a diverse, in some cases skilled, and occupationally mobile group of individuals. This portrait also challenges the notion that of those who were skilled, the majority had a background in seafaring (the occupation which is typically assumed to have the greatest degree of 'positive transfer' of skills). More tradesmen than seamen were present among the new entrants to the industry. The only element of immobility in the labour market was geographical (rather than occupational), in the sense that watersiders tended to stay at the port where they were first registered.

[3] Philpott (1965) noted this pattern in his study.

To a large degree, the differences between this pattern and the one identified in other countries can be explained via the differences between the respective systems of labour administration. On America's West Coast, for instance, the International Longshoremen's and Warehousemen's Union controlled recruitment and access to registration. Union membership was the prerequisite of working on the waterfront, and such membership took considerable time to achieve. Thus in a sense prospective longshoremen had to apply to the union for a job; this was an involved process wherein kinship ties, interpersonal networks and subcultural codes were crucial (see Philpott (1965) for a detailed account). The union controlled access to the waiting list in a manner which gave it control both of numbers men and of the individuals concerned.

In New Zealand, however, the state-sponsored occupational registration system that was created by the Waterfront Industry Act 1953 abolished the union-controlled method of recruitment which had existed prior to the 1951 waterfront dispute. The informal ties which previously regulated the points of entry to the labour market were dismantled and replaced by a system which gave employers formal control over recruitment. Under this arrangement the port unions exercised no formal control over access to the local bureau register, or over the composition of their membership. Shortly after the Act was passed the General Secretary of the South Island Federation Jim Roberts commented that:

> the Union should have a voice in the selection of the men who were to obtain employment in the industry. In the old days, the Union itself decided that question. . . . Now we have gone to the other extreme - the employers decided who should join the Union and also who should not be a member of the Union by refusing him employment.[4]

[4] Minutes of South Island Waterside Workers Federation Annual Conference, 30/11/54. New Zealand Waterfront Workers Union Records, 92-305, Box 1/13 (Alexander Turnbull Library, NLNZ).

This arrangement militated against kinship-based patterns of "preferential hiring" (Caplow and McGee 1958:115) and manifested itself in the diverse occupational backgrounds of the new entrants to the local labour markets, which possessed a considerable degree of 'openness'.[5]

The port unions had to accept all individuals who were registered; but equally the other side of the coin was that the union form was legally underwritten in the sense that all registered watersiders were required to become members of their local port union. Although the unions did not formally control recruitment, because the union form was secured legally the potentially negative effects of this situation (unstable or acquiescent unions) did not result. Instead, as we shall see in subsequent sections, unionism thrived which, in turn, was to lead to the port unions gaining an element of informal control over recruitment. These developments were mutually reinforcing as the unions selected, in the words of South Island Federation General Secretary Jim Roberts, "men who were good unionists and good cooperators with the union."[6]

The manner in which local unions were gradually able to regain an element of *informal* control over recruitment during the 1950s was through informal agreements with the local branches of the PEA regarding the selection of men to be short-listed, and thus over who was finally registered. Typically, a process of informal negotiation between the PEA Secretary and the union occurred over the men who should be on the list. A former Secretary explains:

> we used to make out the initial list and then gave it to the wharfies. And then if they felt that there was somebody I'd missed out then they'd let me know. And it was quite amicable. . . . they'd have a

[5] Caplow and McGee identify "two types of hiring in general use - 'open', or competitive, hiring and 'closed', or preferential hiring" (1958:115). They continue: "In the closed market . . . there is preferential treatment of candidates and limited circulation of information about vacancies" (ibid).
[6] Minutes of South Island Waterside Workers Federation Conference, 4/12/56. New Zealand Waterfront Workers Union Records, 92-305, Box 1/14 (Alexander Turnbull Library, NLNZ).

> look at it, then they would come back and say 'well how about so and so', and I'd say 'okay then we'll pop him in as well'. And 'oh we don't think much of him, can we leave him off'. (Interview)

One of the things that was bargained over was the number of registered watersiders' relatives who should be allowed on the list.

> And in the list of course, I always used to put it in because I knew the union would want it anyway, were sons and relatives of watersiders. I had a note of that. They used to have that on the application form, 'Any relative in the industry'. . . . It became a sort of saying on the waterfront 'oh you'll never get in there unless you were a son or a relative of a waterside worker', but that wasn't quite right. I know I said to the union several times 'okay but not everybody, other people have the right, other than waterside workers relatives'. So I said, you know, they can have a third or so. Of course, they would have preferred to have all sons of wharfies. (Interview)

These informal agreements were significant insofar as they allowed the local unions a certain degree of control over the selection of men to be interviewed and thus over who was finally registered. Men who were short-listed, at least at this port, could be reasonably sure of becoming registered insofar as only "one or two" more than the number of vacancies on the register were interviewed.

This type of arrangement was not unique to just one or two ports. As early as 1956 there are indications that many of the port unions had achieved at least a modicum of informal control over recruitment. For example, at the South Island Federation Conference in 1956 President Paddy Weith commented, with respect to employer control of recruitment, that:

> there has been an easing off of the rigid rule which existed four or five years ago. . . . the only Union that has serious complaints . . . appeared to be Lyttelton, and this was due mainly to the attitude taken by the employer' representative at that port.[7]

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[7] Ibid.

There are two reasons for the employers not exercising their rights under the Act. First, for all intents and purposes, new recruits were 'standard labour units' in the sense that all were required to become union members anyway, and all were automatically subject to the industrial agreement which took wage rates out of competition. In this sense, there was nothing to be gained by the employers from selecting particular individuals. Undoubtedly employers still had an interest in excluding 'good unionists' (to use Jim Roberts' phrase) but they did not have as much to gain by using their powers under the Act to completely control recruitment as they did during the 1951 dispute (during which employer control of recruitment originated), when they actively excluded many deregistered watersiders from the new port unions.

Moreover, as the port unions were rebuilt and regained a modicum of industrial strength at the port level, the local branches of the Port Employers Association sought to cooperate and consult with the union. This was particularly so in the context of joint control of setting register strengths and making of bureau rules (as I will explain in the next sections), which meant they had to consult in some areas anyway. These informal arrangements, and degree of union influence in this area, were reflected in the fact that the industrial agreement settled in 1960 (General Principal Order 156) incorporated a provision that required the PEA to consult with the port unions over the recruitment process.[8] By the 1960s informal joint control over recruitment had become standard practice at ports throughout the country.

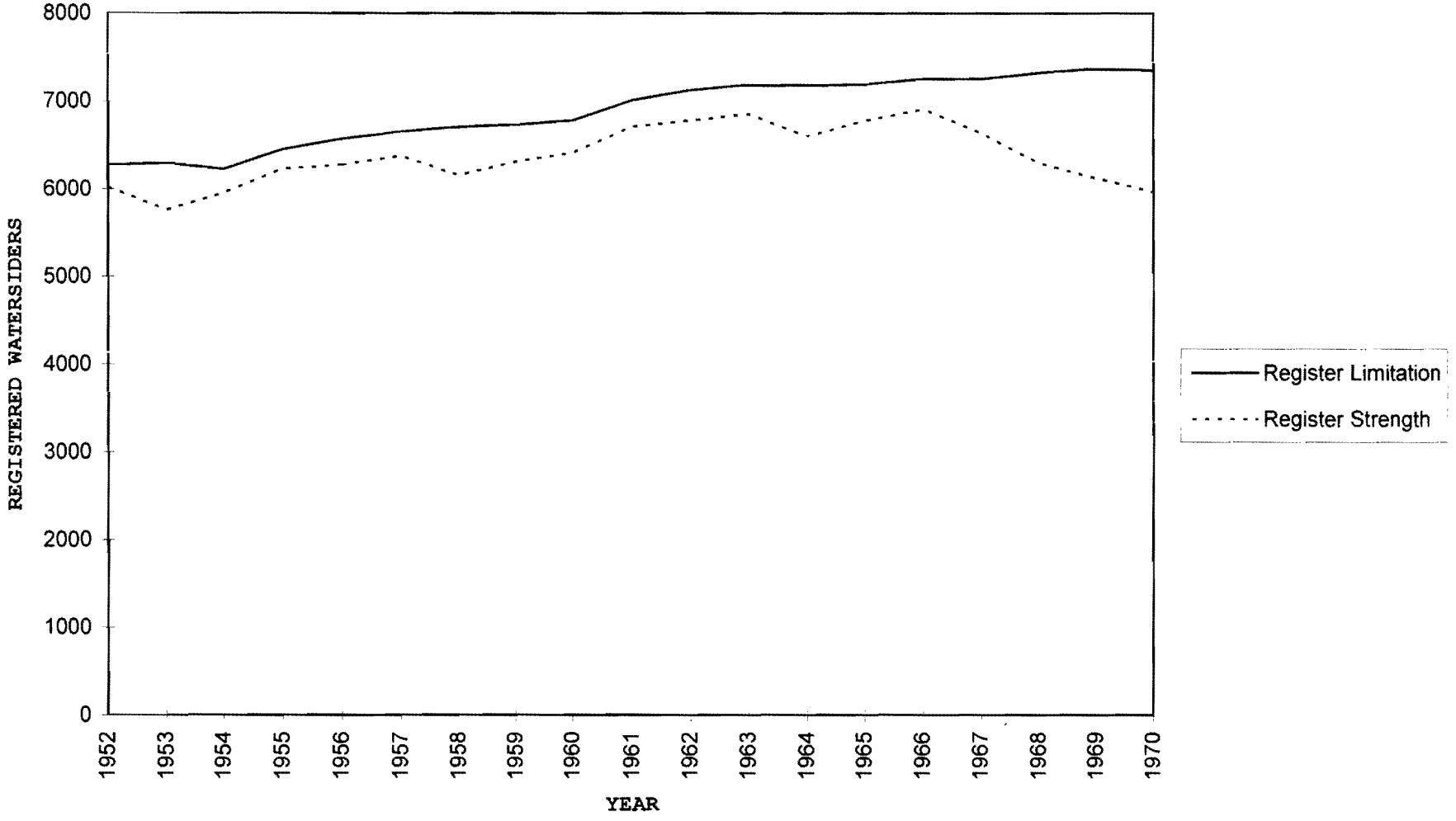
[8] Clause 36(a) of the GPO states that: "Workers to be enrolled on the Bureau Register at any port shall be as directed by the New Zealand Port Employers' Association and the Association will meet the representatives of the Union to receive any representations from the Union regarding the men to be enrolled."

(4) Register Strengths

Whereas the preceding section examined how prospective watersiders were selected for registration, in this section I will deal with the way that the size of the local bureau registers was determined. As I noted at the beginning of this chapter, the bureau system took the labour supply out of competition nationally by establishing a legally constituted occupational registration system which granted watersiders permanent status in the labour market. Under this system firms did not compete for labour and waterside workers did not compete for jobs. Instead, the size of the labour pool that employers at each port were allocated watersiders from was determined by bargaining at the local port level. Unlike the recruitment of watersiders, register strengths were set jointly by the port unions and the Port Employers Association in negotiations through the medium of the Port Conciliation Committees.

The bureau register limitations set by the local Port Conciliation Committees reflected the different interests of, and pressures on, the port unions and the local branches of the PEA. It is necessary to identify both the mediate influences and the proximate influences upon register limitations. The mediate influences which circumscribed the broad limits within which register limitations were set relate primarily to the conditions that obtained in the labour market generally. The period under consideration, which was the heyday of the labour-intensive break-bulk method of handling cargo, coincided with the postwar 'long boom' - the most sustained period of economic growth in New Zealand's history (see Roper 1993). This period was characterized by rising levels of trade which were reflected in increasing levels of (albeit seasonal) shipping activity within New Zealand ports. Similarly, during this period the demand for labour exceeded the supply of labour, resulting in a low rate of unemployment (which did not exceed 1.5% of the economically active population). As Pearson and Thorns (1983:54) observe,

Graph 4.3 National Bureau Register Limitations and Strengths 1952-70



"Unemployment does not emerge as a major feature of the New Zealand employment structure in the post-war period of the 1950s and 1960s. It was rather labour shortages that dominated rather than labour surplus." It was against this backdrop that register limitations were determined. I will provide an empirical sketch of these limitations nationally, prior to identifying the proximate factors that shaped them.

As Graph 4.3 indicates, throughout the 1950s and 1960s the total bureau register limitations gradually increased from the level set prior to 1953.[9] It is important to note that the actual bureau register strengths did not correspond exactly to the limitations set by the Port Conciliation Committees. By virtue of a clause in the General Principal Order (the national industrial agreement), the actual bureau register strengths could vary by five per cent above or below the limitation set by the PCCs. The five per cent 'tolerance', as it was called, allowed for decreases in the register due to natural attrition (retirements, resignations, deaths and so forth), and was used to deal with situations where employers needed more workers than were registered, without register strengths having to be continually referred back the PCCs. In practice, however, the limitation acted as a 'ceiling' above which actual register strengths usually did not climb (although local registers occasionally were greater than limitations). It is important to note that in the years up to 1968 limitations and strengths were 'synchronized' (i.e. increases or decreases of more than 5% could only be achieved by formally renegotiating register strengths). Thereafter, limitations and strengths became 'desynchronized' as the 5% tolerance was held in abeyance prior to, and during, the term of the Waterfront Conference (see Chapter 7). I will restrict the following discussion to the former period and deal with developments after 1968 in Chapter 10.

[9] At most ports bureau register limitations had been carried over from the previous system of labour administration, which existed prior to the passage of the Waterfront Industry Act 1953.

Attempts to formally increase or decrease bureau register limitations at the port level were usually in response to changes in the level of shipping activity. In many cases the port union and the local branch of the PEA agreed to increases or decreases in the register and the decision of the PCC was a *fait accompli*. In the case of disagreements over numbers, however, the Chairman would be required to rule either for or against the proposed change. Not only were there instances of disagreements where the PCC Chairman had to make such a decision, a few cases were even appealed to the Waterfront Industry Tribunal.[10] These latter are the most interesting from the point of view of casting light on the proximate factors that were influential in the setting of register levels.

Paradoxically, there were occasions when the employers sought an increase in register numbers, but were opposed by the local union. The following example is a case in point. In 1960, in anticipation of increased cargo and shipping resulting from the opening of a new harbour at the Port of Bluff, the Port Employers Association applied to the local Port Conciliation Committee to increase the register from 300 to 350 men. The local union, however, offered an increase of only an additional 25 men at the Committee hearing, which the PCC Chairman granted. The PEA then appealed the Chairman's decision to the Waterfront Industry Tribunal. The Tribunal in its ruling (which upheld the employers' appeal) noted that:

> The Union's opposition to the appeal was based on the proposition that no increase in excess of 25 should be approved until the inability of a Union of 325 to handle the work had been proved by experience. . . . While the Union's viewpoint would usually be acceptable in the case of a well-established port we are of the opinion that the position at Bluff is unusual. . . . Here is a port whose capacity is to be virtually doubled in a very short space of time. . . . The high average earnings and average hours of work of

[10] Such appeals, however, were rare. Of the 900 decisions issued by the Waterfront Industry Tribunal from 1953 until 1989 that I reviewed, I could find only three that related to appeals over bureau register limitations.

> the members of the Union suggest that they have little to fear from a reasonable increase in Union membership.[11]

The Tribunal's decision is worthy of note for two reasons. The comment on the 'viewpoint' of the Union suggests that it was erring on the side of caution with respect to register strengths. Furthermore, the Union's viewpoint was deemed by the Tribunal in normal circumstances to be 'acceptable', which in practice meant employers had to wait until labour shortages actually occurred before seeking increased register strengths.

The more fundamental point is that, given the occupational registration system, the port unions had no interest in increasing the sheer size of their membership. Although increased register strengths resulted in increased employment on the waterfront, and more union members, the local unions had an interest in limiting the size of the register in order to ensure sufficiently high average earnings and hours of work for registered watersiders. This was the case because work was equally shared among watersiders, and when no work was available they received guaranteed payments only. Thus the port unions sought to equilibrate bureau register strengths (and hence numbers of union members) with the supply of "collective job opportunity" (Perlman 1928:9). The unions, in effect, 'traded off' members (or jobs) against wages. Consequently, the local unions typically made some effort to ensure that there was enough work to 'go around' for the numbers on the register.

At the North Island Federation's conference in 1956 a discussion took place over register strengths which illustrates this latter point. The conference minutes note that a delegate from the Tauranga Union (C. Williams):

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[11] WIT Decision 303, 10/12/60. Waterfront Industry Commission Records, W3472, Box 55 (National Archives).

Graph 4.4 Labour Surpluses and Shortages (All Ports) 1955-69

> stated that he had made several attempts to get his Union to increase its register strength, but to no avail, as many of the members feared that an increase in the register would mean a reduction in their earnings.[12]

This comment indicates the degree to which attempts by unions to restrict numbers were driven 'from below' by the interests of the rank and file. Local union officials had to take account of these interests in negotiating with the employers over register numbers. The conference minutes also record the following comment by a representative of the Whangarei Union (E. Flower) who:

> stated his . . . port was not opposed to a buildup in membership but it was not the wish of the Union to reduce the earnings of [the] present membership by a substantial increase.[13]

PCC minutes also indicate that there were numerous instances when the local unions sought or agreed to an increase in register limitations. However, as the preceding cases demonstrate, such decisions were always balanced against the perceived availability of work.

Insofar as it was impossible to equilibrate the supply of labour and the demand for labour on a daily basis, frequent shortages and surpluses developed at all ports. The extent of labour shortages and surpluses in the time period under consideration is plotted in Graph 4.4. It is apparent from the graph that firms were by no means guaranteed a supply of labour. On the other hand, watersiders were not always assured of regular work. If the unions sought to err on the side of caution in negotiating register limitations in order to avoid frequent labour surpluses, the employers on the other hand had an interest in maintaining the registers at a level that would prevent labour shortages.

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[12] Minutes of North Island Waterfront Workers Association Conference, 6/11/56. New Zealand Waterfront Workers Union Records, 92-305, Box 3/15 (Alexander Turnbull Library, NLNZ).
[13] Ibid.

There are numerous examples of local branches of the PEA seeking to keep register strengths up in order ensure an adequate supply of labour. In 1957 the Auckland Union sought to limit the numbers of men on the register because the amount of work at the port had declined. The PEA Annual Report states that: "The local employers are . . . watching the position to ensure that the strength of the Bureau Register is maintained at a figure sufficient to meet the regular requirements of the port."[14] Once again, in 1964, the Auckland Union appealed to the Tribunal a decision of the PCC (which the local branch of the employers' association had supported) against their proposal for a reduction in the local bureau register strength. As the Tribunal noted, "the Union seeks a reduction in Bureau strength because large numbers of men are sent home in the slack season of the year."[15] This case further illustrates that the employers attempted to maintain register strengths despite substantial fluctuations in the availability of work which led the port unions to seek reductions. However the employers had to balance the projected labour requirements of ports against the cost of paying guaranteed wages to watersiders when work was unavailable.

A crucial variable in dealing with the problem of synchronizing the supply of and demand for labour, in the context of a 'closed' labour market and a fixed supply of labour, was the use of casual labour. Under the preference clause incorporated within the first General Principal Order (GPO 24) non-registered workers were able to be used, as a supplementary labour force, when registered watersiders were not available.[16] This clause also stipulated that non-registered workers who were

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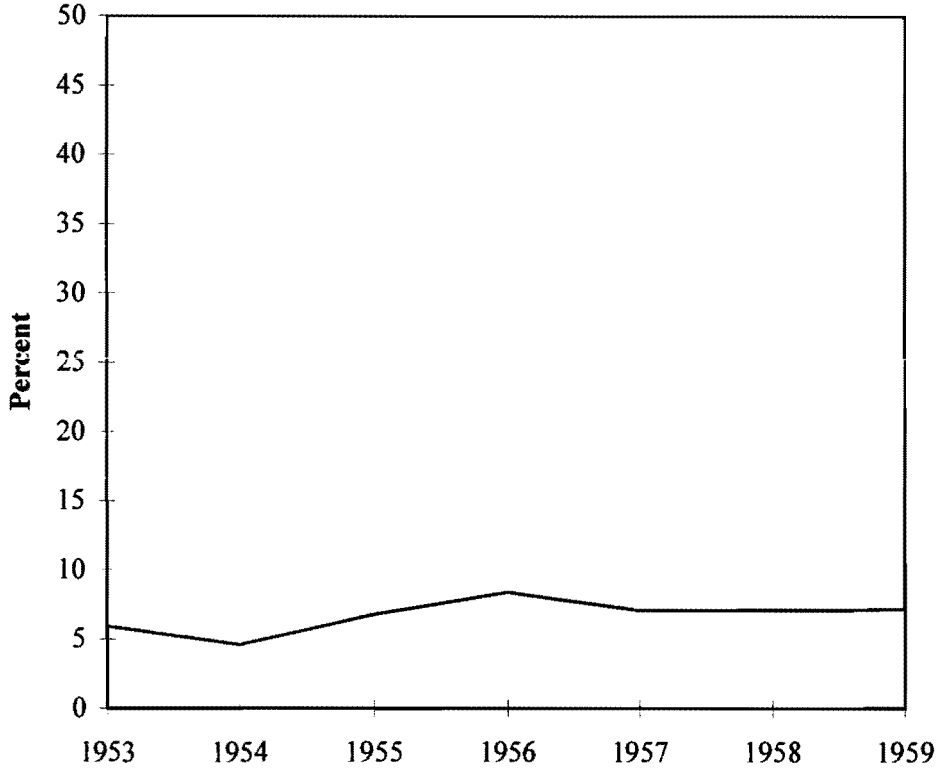
[14] PEA Annual Report, 31/3/58. Port Employers Association Records, 89-395, Box 129 (Alexander Turnbull Library, NLNZ).

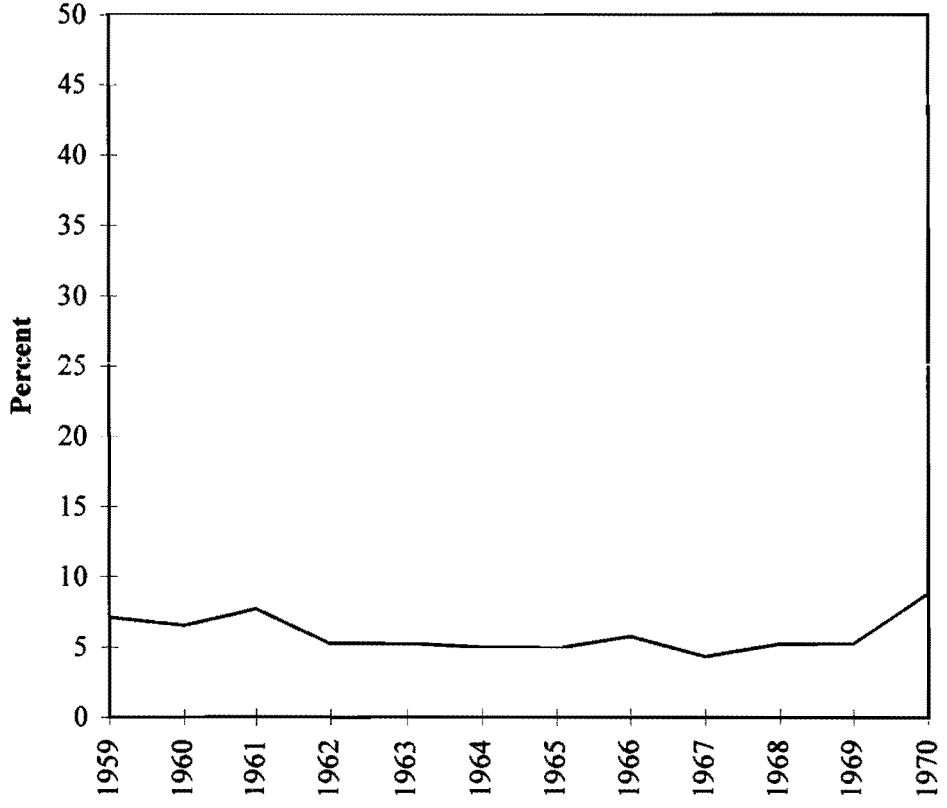
[15] WIT Decision 430, 3/6/64. Waterfront Industry Commission Records, W3472, Box 55 (National Archives).

[16] The first General Principal Order to be made under the provisions of the Waterfront Industry Act 1953 was Number 24. It was so numbered because the Tribunal also issued Principal Orders which incorporated agreements relating to local conditions at specific ports. The GPO's were numbered consecutively in accordance with the Principal Orders.

Graph 4.5 Percentage of Casual Workers Within Total Workforce 1953-59



Graph 4.6 Wages & Allowances of Casual Workers as % of Total Wages & Allowances 1959-70



engaged to complete gangs had to be replaced by registered watersiders if they became available and there was no other work for them to be allocated to.

The casual watersiders, or 'seagulls' as they were colloquially known, were in the main workers from seasonal industries (such as meatworkers and agricultural labourers), fishermen, itinerant or unemployed workers, and at the ports in close proximity to a university a significant proportion of the casual workforce in the summer months were students.[17] The prospective seagulls would typically present themselves on a daily basis for work and be selected by company timekeepers or foremen, or in some ports by Bureau staff. Estimates of the absolute numbers of casual workers used on the waterfront are only available for the first five years after the bureau system was established. However a reasonably accurate indication of the extent to which casual labour was used in the 1960s can be gained by examining the percentage of wages paid to casual workers relative to total wages paid by the Waterfront Industry Commission. It is apparent from Graph 4.5 and Graph 4.6 that the proportion of casual labour used was relatively constant throughout the period under consideration.

The fact that casual labour could be used to supplement the registered workforce at each port was not merely a product of 'employer preference' in having available an adequate supply of labour. Rather casual labour also benefitted the port unions and their members, and was therefore tolerated by them. Insofar as casual labour acted as a 'pressure valve' for registers, as a supplementary workforce, it assisted the port unions in keeping register numbers down and wage levels up. The ability of employers to use casuals also afforded watersiders flexibility regarding when they worked, allowing them to take days off when they wished (which was permitted under bureau rules) and to take holidays in busy periods.

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[17] Under this agreements ships' crews could be also be used as casual workers.

Each of these aspects of the flexibility provided by casual labour to the port unions and their members overlapped. This overlap was succinctly identified in a comment by the Waterfront Commissioner himself in 1960, in explaining why more watersiders did not wish to become foremen-stevedores (who were permanently employed by companies). He stated that "the average watersider preferred the casual nature of the work - a decent income and days off."[18] The provision for employers to use casual labour was crucial both to ensuring watersiders had 'a decent income' and in allowing them to take 'days off'. The centrality of casual labour to this arrangement was such that some of the port unions were at odds with their Federation regarding the use of casuals. At the North Island Federation conference in 1956, President Hynes stated in his opening address that:

> At some ports there is reason for concern as to the large proportion of non-union labour regularly employed, and the failure of the unions concerned to face up to the question. In one port in particular, the number of non-union men regularly engaged is out of all proportion to the union men. It has not yet been possible to get the Union to agree to a reasonable number of new men being taken onto the register, as the rank and file members are absolutely convinced that any new men taken into their union automatically reduces their own earnings. One point that the rank and file do not seem to realize is that such a large force of regular 'seagulls' could . . . be used against the Union in a major dispute.[19]

Irrespective of this tension between the port unions and their summit organizations, casual labour functioned as an important source of 'flexibility' for watersiders, as well as for their employers. However it must be emphasized that the reason why the unions and their members were able to tolerate the use of casual labour was because watersiders had permanent tenure in the labour market,

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[18] Minutes of Meeting Between New Zealand Foremen-Stevedores Union and Minister of Labour, 17/5/60. Waterfront Industry Commission Records, W3864, Box 67, 9/5/8 (National Archives).
[19] Minutes of North Island Waterfront Workers Association Conference, 6/11/56. New Zealand Waterfront Workers Union Records, 92-305, Box 3/15 (Alexander Turnbull Library, NLNZ).

through the occupational registration system, which meant that casuals could not be used to displace registered watersiders. Despite the preceding comment by President Hynes, casual workers were therefore not a threat to the *immediate* job security of watersiders.

Together with the fact that casual labour was used as a supplement to rather than a substitute for registered watersiders, insofar as the port unions sought to prevent register strengths from outstripping the capacity of ports to provide regular work for their members, the use of casual labour was not disadvantageous. Indeed a former North Island Federation official commented that: "We milked the industry along for a number of years using the provision for itinerant workers, or seagulls as they were called" (interview). In any case, casual labour did not become a contentious issue nationally until the late 1960s (see Chapter 10).

During the 1950s and 1960s, however, there were some absolute limits to the use of casual labour to supplement the registered workforce. Some technical limitations existed such as the need for a certain number of skilled deckmen (winchmen and hatchmen) to form the core of gangs which would then be 'shored up' with casuals. Indeed at some ports during the 1950s the shortage of deckmen was such that training schemes (funded by the Commission from the NAF levy) were introduced.[20] Equally as important, however, were *absolute* labour shortages that occurred when the number of casual workers who presented themselves was less than the number that were required. This development is largely to be accounted for in terms of the buoyant conditions in the labour market referred to earlier: principally the fact that this was a period of full employment. If the 'push' factors were somewhat weak, it was likewise difficult to attract workers in full-time or casual employment in other industries to do casual work on the

[20] WIC Report (1955:7).

waterfront (despite relatively high wages) because jobs were of short duration and casual work did not automatically lead to registration or carry with it any guarantee of future employment.

At some ports shortages of casuals were not infrequent, particularly in the summer months at the height of the export season. At the Port of Lyttelton, for instance, the majority of casual workers were students. However the university holidays did not coincide exactly with the peak of the export season, and consequently there was a period of one to two months when shortages of casual labour occurred.[21] The distance between the closest city (Christchurch) and the port exacerbated this situation. Similar conditions obtained at the Port of Wellington where the port was geographically separated from the labour force and where transport costs were considerable. The PEA's Annual Report for 1958 indicates shortages of casual workers also occurred at the ports of Wanganui, Napier and Bluff.

It was partly in response to the preceding limitations that employers formulated their own rules of labour allocation which were given to the local Bureau Offices and used to determine the local 'priorities' of labour allocation in times of labour shortages. At such times there was considerable potential for disagreements between firms that comprised the local branches of the PEA particularly insofar as they were in competition with each other. The rules, which were intended to eliminate such disagreements, specified the order in which labour was to be allocated, such as filling vacancies in "existing working gangs", the types of vessels that had priority (those carrying perishable cargoes such as fruit were usually deemed to be 'priority ships'), and priorities associated with the order of arrival of vessels and when requisitions for labour were lodged with the bureau.

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[21] This information has been gleaned from an interview with the former secretary of the local Port Employers Association. It is corroborated by the PEA Annual Report for 1957 which states that: "The availability of non-registered labour at the port is restricted." Typically, only 50 or so casuals were available at the Port of Lyttelton outside of university holidays. Port Employers Association Records, 89-395, Box 129 (Alexander Turnbull Library, NLNZ).

Despite the formulation of these rules problems and disagreements still developed during periods of labour shortage.[22] A former Secretary of the Lyttelton branch of the PEA (John), while reflecting on his role on the waterfront, made the following comment:

> I used to have more trouble with the employers than I did with the union at times, specifically when the port was busy and some ships wanted priority of labour for the goods. (Interview)

Although the branch committee was formally charged with making a decision in cases where problems or disagreements arose, often it was left to the branch Secretary to decide which companies should receive priority status. John commented further:

> we gave a copy [of the rules]. . . to the Bureau and they adhered to it and if there was any problem the Bureau used to ring me. You know, because there were all sorts of problems used to come up. Sometimes you'd have two priority ships in, and they used to ring me up and say 'what should I do'? And I used to have to make a decision. (Interview)

This role often put him in the difficult position of having to decide *ad hoc* between two competing companies, one of which would have to go without labour. When asked how he made his decision, he said that he did so:

> just by experience, you know. And of course one company obviously didn't like it. . . . Because they were all in opposition to each other of course. And sometimes I used to be popular with some companies and unpopular with the others. . . . But they all accepted it eventually. It wasn't supposed to be done that way, they were supposed to get a meeting of the Committee. And they'd go

[22] The bureau itself was put under pressure during times of labour shortage. Watersiders had the right to refuse a transfer to a new job once the job that they were working on had ended. In 1957 the branch manager of the Tauranga bureau suggested to the Waterfront Industry Commission's general manager that labour shortages would be alleviated if the Union and the Employers would agree to *compulsory* transferring of workers between jobs. However such an agreement was never reached. Waterfront Industry Commission Records, W3472, Box 173, 5/473/31 (National Archives).

> through and get an agreement on who should get the labour. But you just couldn't do that in practice. At seven o'clock you started and that was it. (Interview)

To the extent that seasonal fluctuations in the labour requirements of ports were not able to be dealt with through the use of casual labour, the local branches of the Port Employers Association often attempted to incorporate them into register strengths. However, in this endeavour they were limited by the existence of formal joint control of the size of bureau registers. Furthermore, unlike the port unions, the local branches of the PEA were subject to the authority of their national organization. Whereas the port unions could and (as the examples provided earlier indicate) frequently did act independently of their respective Federation with respect to setting register strengths, the local branches of the PEA had to *apply* to the PEA Management Committee for permission to seek an increase in the size of the bureau registers. Sometimes an increase was not granted, as the following example demonstrates. In 1967 the Napier Branch Committee sought an increase in the register, but the Management Committee (in weighing up the potential cost with respect to the payment of guaranteed wages) declined the request, stating that the employers at this port should "make the fullest use of non-registered labour rather than to increase the present strength."[23] In short, the local employers were forced to tolerate labour shortages.

It is apparent from the preceding discussion that in negotiating over the size of bureau registers the port unions and the PEA engaged in a 'balancing act' based on the interests of their respective member 'constituencies'. In the case of the port unions, numbers of members (and thus jobs) were traded off against wage levels. For the Port Employers Association, on the other hand, the trade-off involved balancing the labour requirements at each port (allowing for seasonal fluctuations)

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[23] Minutes of PEA Management Committee Meeting 427, 15/11/67. Port Employers Association Records, 89-395, Box 203 (Alexander Turnbull Library, NLNZ).

against the cost of guaranteed wages that watersiders were paid when work was unavailable. As I have shown, casual labour was a crucial variable in this 'balancing act'. The relative success of each party in achieving the desired balance, in times of disagreement, depended on the decision of the local PCC Chairman. However, in such cases one factor that the Chairman had to consider was the average hours and earnings of the registered watersiders.

It is not possible to construct an *absolute* measure or index of which of the key actors got the 'upper hand', or which the register strengths suited. Undoubtedly there were differences from one port to another regarding the extent to which a 'balance' was able to be achieved. Nonetheless, in the next chapter I will demonstrate that, despite the existence of frequent labour surpluses (and hence 'slack' periods for watersiders) wage levels on the waterfront were considerably higher than those of workers in the manufacturing sector. This provides some indication of the extent to which this 'balance' benefitted watersiders, and shows that the port unions were relatively successful in equilibrating numbers of members with the supply of 'work opportunity'.

The more fundamental point regarding power relations between the key actors is that formal joint control over the size of bureau registers (and hence over the numbers of union members) was a crucial source of strength for the port unions. Insofar as the occupational registration system gave watersiders permanent tenure in the labour market, and also gave them 'preference' in performing waterfront work, the port unions had no reason to attempt to increase the sheer size of their membership. Indeed, in the context of the bureau system, the port unions had good reason to restrict the numbers of registered watersiders. Formal joint control over the size of the labour supply, coupled with informal joint control over recruitment which developed in the late 1950s, allowed the port unions to

consolidate their position as exclusive and tightly-knit organizations whose members were well-paid.

(5) Allocation to Work

> *In an industry in which the loading and unloading of particular ships is universally of limited duration, uncertain in time, and performed with varying degrees of specialization, the procedures and the rules determining the allocation of men to work are decisive to management and to workers and their representatives.*
>
> John T. Dunlop

In this section I shift from issues of entry to the labour market, and the size and composition of the labour supply, to examine the 'internal' organization of the labour market. Dunlop's statement rings as true of ports in New Zealand as it does of ports the world over. This section will highlight the specific 'procedures and rules' that were developed within the bureau system of labour administration to regulate the 'allocation of men to work'.

Under the procedural requirements of the Waterfront Industry Act (1953), bureau rules were negotiated at the local port level by the unions and the PEA through Port Conciliation Committees. Although the Act did not specify the form or actual content of the bureau rules, there were certain background assumptions regarding what they should cover, which assumed the status of a 'given' in formulating the rules at each port. In order to understand the bureau rules that were formulated under the Act, and what they regulated, it is necessary to briefly examine the historical origins of the method of labour allocation that was utilized under the bureau system.

The origins of bureau rules are to be found in early attempts by the former Waterside Workers Union to decasualize the industry in the 1930s. Although the 'auction-block' system of casual hiring was notoriously prone to corruption and

iniquity in the allocation of work, some groups of watersiders did very well out of it. This is because even at the peak of this system, the labour market was not completely casualized. Instead there existed regular gangs (called 'bull gangs'), composed of physically strong and skilled watersiders, that were assured of regular employment (see Pettit 1948:17-20; Roth 1993:42-3). The members of these gangs benefitted from the casual system, and therefore had little interest in decasualizing the labour market. As in Britain (see Turnbull et al. 1992:10-11; Hill 1976:15; Phillips and Whiteside 1985:33), the Union was placed in a position of pushing for decasualization despite the fact that a considerable proportion of its members opposed this strategy.

Along with decasualization, the Union also sought to introduce a system which 'equalized' the distribution of work among watersiders. It pushed for the formation of rules of labour allocation to ensure the compulsory equalization of the distribution of work among the individuals who comprised the workforce at each port. Right from its inception, in the late 1930s, a significant proportion of watersiders *qua* individuals were opposed to the equalization of work. Consequently a system of 'penalties' was introduced at the insistence of the Union in order to force watersiders to accept this method of work allocation.

This contradiction, between the interests of the Union and those of its members, is a case in point of the perennial dilemma facing labour organizations which Selig Perlman identified in the 1920s in his classic *Theory of the Labour Movement.* The crux of Perlman's argument, which he formulated in an American milieu, is that unions needed to achieve job control in order to allocate work to their members via 'working rules', so as to engender solidarity. Solidarity is secured by trading off individual interests against collective interests, by ensuring that no-one is able to take more than their fair share of the "collective job opportunity" (Perlman 1928:9). Thus unions are involved in "collectively controlling the extent

of the individual's appropriation of opportunity" (ibid:241-2). Stated simply, unions engage in a 'rationing' of opportunity.[24]

To be sure, the port unions (like all unions in New Zealand) were legally secured, and hence unlike their American counterparts did not need to ration opportunity in order to secure their *existence*. However they still had to deal with the problems, which centered on a tension between the interests of the individual and the interests of the group, that were posed by the allocation of work. It was for this reason that the bureau rules of labour allocation, and the penalty system, were originally formulated by the Union.

The penalty system originated in Lyttelton under a local system of labour administration introduced there in 1936. Baden Norris, the author of the history of the Lyttelton branch of the Union and himself a former watersider, writes: "Quite a few members of the union were against the system as the work of the port now had to be shared evenly among all members whereas, under the old auction block system, the same men were getting most of the work while the others missed out" (Norris 1980:99). He continues:

> Many men refused to cooperate with the system at first and they often refused to lift their discs [to signify acceptance of work]. The general [union] meeting in July decided to penalize all those who refused to co-operate and to penalize them eight hours . . . [which] meant that . . . [they] would have eight hours' pay deducted from . . . [their] wages. It is revealing that the penalty clause in the bureau rules was put there by the union and not the employers (ibid:95).

[24] Perlman writes: "*The group . . . asserts its collective ownership over the whole amount of opportunity*, and, having determined who are entitled to claim a share in that opportunity, undertakes to parcel it out fairly, directly or indirectly, among its recognized members, permitting them to avail themselves of such opportunities, job or market, only on the basis of a 'common rule'" (1928:242, emphasis his).

Other branches of the Waterside Workers Union, such as Auckland, then followed suit (see Roth 1993:73). The following comment by E. Threadwell (a union representative from Lyttelton) at the South Island Federation conference in 1953 speaks to this issue:

> We found that the employers had put their own interpretations on the rules, and they applied penalties which the Union thought were not justified. It must be admitted that these rules were drafted in the first place by the Union in order to compel the membership to play the game when the Bureau system was introduced. They were being utilized today to impose unjust penalties on the men.[25]

This comment is significant for two reasons. Firstly, it alludes to the fact that, although the rules of labour allocation and the penalty system they incorporated were first introduced by the Union, two types of penalties emerged. One set of penalties related to the 'engagement' of labour and were sponsored by the Union, whereas the second set related to conduct on the job and were introduced by the employers. Baden Norris commented in an interview that: "The whole of the penalty system was introduced by the Union. And [it was] taken up very enthusiastically by the employers of course." Secondly, the system of bureau rules and penalties was carried over into the system of labour administration that was established in 1953.

This, then, was the background to the rules of labour allocation that were formed after the passage of the Waterfront Industry Act 1953. At some ports (such as Lyttelton) entire sets of bureau rules were carried over from the previous system, but at other ports (such as Tauranga, Bluff and New Plymouth) they were formulated anew. In each case, however, the principle of work equalization and the penalty system were embodied within the rules that were formulated in 1953.

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[25] Minutes of South Island Waterside Workers Federation Conference, 25/11/53. New Zealand Waterfront Workers Union Records, 92-305, Box 1/13 (Alexander Turnbull Library, NLNZ).

As we shall see below, differences between ports only occurred over the types of bureau rules and penalties that were formulated.

Bureau rules dealt with the classification and engagement of registered waterside workers, the order of their allocation to work in accordance with the principle of work equalization, and the penalties that constituted the core of the system of industrial discipline on the waterfront. The foundation of the system of work allocation was equalization among individual watersiders at each port (rather than for gangs or groups of watersiders). The use of the individual as the 'unit' of work equalization was vehemently sought and supported by the former Waterside Workers Union both nationally and locally. As a former bureau allocator (who was involved in the day-to-day operation of a labour bureau) recalls:

> the union were the strongest advocators of saying we want every man treated equal . . . See when they had gangs [under the auction block system], gangs were competing against one another and there were good gangs, and indifferent gangs, and bloody awful gangs. And at that stage the bosses could have said 'well we want this gang', but they didn't [under the Bureau System]. Every man was treated equal, even the sluggards and the dullards, they were exactly the same as the best workers. (Interview)

With respect to work equalization, 'individualization' appears to have been an in-built assumption that was carried over from the system of labour administration which developed in the 1940s. This principle was not open to contention, or negotiation, within the Port Conciliation Committees; rather it was afforded the status of a background 'given' condition. This principle was formally enshrined in the wording of equalization provisions within all sets of bureau rules (see the examples cited below).

As a result, the whole process of work allocation by the Waterfront Industry Commission was geared to 'individuation'. The constitution of certain

'categories' of waterside workers, the use of symbols to represent identities, and the keeping of files (regarding individual work-records) - all of these are hallmarks of the bureaucratic techniques of 'individuation' (see Abercrombie et al. 1986). The process of registration involved the classification of individuals as particular 'categories' of watersiders which corresponded to various rights, privileges and priorities in the distribution of work. The bureau rules at all ports provided for the classification of watersiders into 'A' and 'B' categories, which was to be carried out following an examination by the PEA's medical officer. The distinction was that the 'A' category men were entitled to weekly and daily guaranteed minimum payments, whereas 'B' grade workers were entitled only to a (smaller) weekly guarantee. Similarly the rules usually stipulated requirements for watersiders to attend 'the call' each day, and the procedures to be followed by employers when requisitioning labour.

Each watersider was assigned a tag (or 'disc') with their bureau register number on it, along with any endorsement symbols regarding the types of work that they were qualified to perform (such as operating winches). The bureau rules at each port specified procedures regarding the engagement of labour. Principally, watersiders were required to signify their acceptance of work by 'turning' or 'lifting' their discs which were displayed by the bureau on 'engagement boards', along with the ship, hatch and position within a gang that they had been assigned to. This had to be done within a certain time period.[26] Similar procedures existed whereby watersiders who had not been allocated to work were able to indicate that they had attended 'the call'.

Watersiders who failed to accept the job that they had been allocated to were placed 'on penalty' by the bureau. This type of penalty was one of the two main

[26] This period differed between ports. For example, at New Plymouth watersiders were given fifteen minutes to lift their disc, whereas at the Port of Napier they were allowed only three minutes to do so.

types that were set out in each port's bureau rules, namely penalties relating to the engagement of labour. Other actions by watersiders which resulted in them receiving penalties of this type included lifting another watersider's disc, not attending the call, refusal to work overtime, and accepting engagement but failing to start work. These penalties were meted out automatically by the bureau itself and typically involved the penalized watersider being 'stood down', and hence rendered ineligible for employment, for a certain number of days. Watersiders who failed to lift their discs were typically suspended for two to three days (depending on the port).

As I noted earlier, the other type of penalty related to conduct on the job. These were given by the foremen-stevedores or supervisors of the companies that watersiders had been allocated to. In these cases the watersider in question was dismissed from the job by the employer which, as in the case of penalties relating to engagement, would automatically result in the worker being stood down for a specified number of days, depending on the severity of their 'offence'. The nature of 'offences' differed between ports. For example, while the rules of most ports specified instant removal from the register for theft or 'pillaging', the Bluff bureau rules specifically included 'urinating in the hold' in this category. Some ports (such as New Plymouth) had specific penalties for abusing foremen, whereas others did not. Similarly the severity of the penalty differed between ports. Whereas under the bureau rules at the ports of Port Chalmers, New Plymouth, and Auckland watersiders 'employed' on a job as deckmen (winch operators and hatchmen, that is) who were dismissed for drunkenness were prohibited from carrying out such work for six months, at Tauranga they were automatically removed from the 'panel' of workers who were qualified to perform this type of work. A third dismissal for misbehavior earned seven days suspension at Port Chalmers but only four days at Lyttelton. Numerous examples of this type could be provided but the preceding ones should suffice to demonstrate that penalties

differed between ports, and were forged in the context of local conditions and agreements between the parties within the PCCs. This discussion also highlights the fact that the local bureaux played a crucial role in meting out industrial discipline by enforcing bureau rules which had a disciplinary component.

As I noted above, the other main category of rules dealt with the allocation of work to watersiders in accordance with the principle of work equalization. Individuation aside, the formal principle of work allocation was that of equalizing work *hours*. By the mid-1950s rules regarding the equalization of hours had been developed at all ports, as the following extracts from sets of rules indicate:

> The Commission's representative shall keep a record of all hours worked or credited to each 'A' grade worker so that . . . each man registered shall have an equal number of hours.
>
> Port of Tauranga (1957)

> The Bureau Office shall keep a record of all hours worked by or credited to each registered worker, for the purpose of equalization of hours.
>
> Port of Napier (1955)

> Bureau Managers shall keep a record of all hours worked or credited to each man so that each man registered shall have . . . an equal number of hours each week. The Bureau shall . . . roster all classes of jobs and work among the men on the Bureau Register so as to give <u>all</u> men an equal share of jobs both on the ship and the wharf.
>
> Port of Lyttelton (1955)

> Labour is to be allocated daily or in accordance with the basic principle of equalization of hours i.e. lowest houred men at times of allocation to be sent to jobs.
>
> Port of Auckland (1957)

> Bureau Managers shall keep a record of all hours worked or credited through the bureau to each man so that each man registered shall have as far as it is possible an equal number of hours.
>
> Port of Otago (1961)

Given that equalization of hours was the norm within ports, several observations can be made about the system of work allocation. Firstly, this was a system of *enforced* equality (between registered workers). Secondly, it precluded the existence of any element of seniority or hierarchy in the allocation of work. Rather than the bureaucratic techniques of keeping files and enforcing impersonal rules producing a *hierarchically* organized labour market, the result was a labour market that was structured *horizontally*.[27] Thirdly, while equalization required detailed records to be kept of hours worked by each watersider, some discretion had to be given to bureau staff to make decisions in relation to the actual allocation of work. However, this discretion frequently served to undermine the 'principles' (of horizontal rather than hierarchical organization) of the labour market.

In a study of bureaucratic systems of administration Reed writes of:

> the inability of general principles and mechanisms to cover every eventuality and the corresponding need for supplementary assumptions and understandings which undermine the consistency and integrity of formal control structures (1985:136).

In order to understand the types of 'supplementary assumptions' that were required in relation to the allocation of work, it is necessary to examine this process in some detail. The former head clerk of the bureau office at the Port of Lyttelton (Bert) describes the way that equalization occurred in practice:

> Well what we had was a big long table and it was the hours for the period (they used to go by a four-weekly period) and the hours for the week. So you'd have something like two, four, six, eight, ten, twelve that way [indicating], and then you'd have an unlimited amount of numbers running along from 126 to 250 or something. And you'd sort them. We had timing sheets that we recorded every hour that they worked, every day. . . . So the ship would finish and

[27] I elaborate on this point in the final section of the chapter.

> there'd be, say, forty men on the ship. And you'd have all of these list of numbers and someone would call out 'number 6', that was Tommy Austin, 'he's 42 and 12' - he'd worked twelve hours for the week, he was 42 [on the board], and you'd put him there. . . . And the biggest job, it could be say the Rangitani that had six days' discharge and a fortnight's loading, and that was the longest job that was going to be the constant one. You'd take the lowest men and hang them [their numbers] on that job. . . . And that, sort of, was the equalization of hours. That was about the fairest way that you could do it. (Interview)

Obviously this system required a considerable degree of discretion on the part of the bureau officials. They had to estimate the length of each job, and then balance this against the hours of the men who were available to be allocated. This process was complicated by the fact that some men were qualified for particular types of work (such as winch driving) and others were not. Consequently, the bureau allocators were required to have an encyclopedic knowledge of the bureau rules and the prevailing industrial agreements (which specified gang sizes), as well as the bureau numbers and qualifications of the men in question. Despite the use of an impersonal numbering system, which was supposed to render the allocation system impersonal and hence fair, in practice the bureau manager and clerical staff had a detailed knowledge of watersiders' identities. Although he ceased to work for the bureau some 28 years prior to being interviewed, Bert was still able to recall the bureau numbers of every former watersider who I was able to name (a not insubstantial number). As he recollects:

> Well when I was doing the ship side, there were 532 men there, and I knew the first names of seven-eigths of them, every bureau number, and where they lived. Because quite often you'd get, like tying up ships in the morning with a six or seven o'clock start you'd get locals because they just had to jump out of bed. Whereas if you got townies they had to get the a train to come down. It was best if the locals did the lines. (Interview)

Because aspects of the allocation process were a "source of uncertainty", they served as the basis for "parallel power relations" (Reed 1985:170) which centered

on the role of bureau managers and clerks themselves. Although bureau rules equalized work hours for individuals, they did not state what type of work men should be allocated to, e.g. light work, heavy or dirty cargoes such as lamp black (in the vernacular of waterside workers, the 'shit jobs'), work with high bonus payments and so forth. This particular aspect of work allocation was decided by the bureau staff themselves.

Given that bureau rules did not guarantee equality of *earnings*, and that different types of cargo had different bonus rates attached to them, the particular jobs that watersiders were allocated to affected their income substantially. As an ex-watersider explains:

> cars come in great big cases, and cargo is worked out on measurement not weight, for the purpose of the bonus. So its obvious the men working, say you get a full shipment of knocked down cars, you could practically discharge 10,000 ton in about a day and a half. But on the other hand if your handling glass, which used to come in little panes, you had an enormous job to make a bonus at all. (Interview)

The bureau staff were themselves acutely aware of the anomalies that arose, given that the equalization of hours system took no account of watersiders' earnings. Bert maintained that:

> you could have a man that worked 900 hours and he could be 300 pounds behind someone whose worked a thousand hours. The bonus was the whole thing. . . . It used to be paid out separately when I was in the bureau. I can remember when the bonus came out and everyone was looking over one another's shoulder and having a look. And the bonus would be something like 250 pounds, which was a lot of money in those days. And someone else, if he just worked the ferry he'd be on a bonus of 120 pounds or something. (Interview)

The issue of corruption in relation to the allocation of work was mentioned frequently by the watersiders who I interviewed. Given the considerable

discretion of bureau officials the potential existed for them to make surreptitious 'deals' with watersiders. One watersider who I interviewed said he knew of instances where baskets of crayfish had been left by a watersider at the back door of one of the bureau offices, to ensure allocation to a job that paid a large bonus. Another watersider, who had been the Union's disputes officer at the Port of Wellington, spoke with more than a touch of irony about a favoured group of watersiders at this port:

> Like all systems, they inevitably end up corrupt. There was a group at Wellington called the magnificent seven who always seemed to get the high bonus paying jobs like unloading car cases. (Fieldnotes)

The consequences of these 'areas of uncertainty', from the point view of some watersiders, was expressed by one interviewee in the following manner:

> that's where the bureau system fell down in the eyes of many, because although you were getting, the equation was on the hours of work, not the type of work. So if you had your favourites in the bureau, and they did, they would channel men to the knocked down cars, and other men to small coastal vessels handling tiny little packages. They'd still have the same number of hours, and that was all the bureau was obliged to do, but one man would be taking home a great deal more than the other. . . . If you made fuss of the Bureau Manager you could get all sorts of perks. (Interview)

Similarly, Norris in his yearly chronicle of Lyttelton Union notes that at this port in 1963:

> Most members were very dissatisfied with the way the bureau system was working and the opinion was that, while hours were equated, no attempt was made to share the type of work. Many men were working fewer hours for more money, as a result of a favoured section getting placed consistently on the jobs that traditionally paid a large bonus, i.e. bulk phosphate, scrap iron etc (1980:193-94).

At some ports, such as Lyttelton, this tension was a not insubstantial source of friction between the bureau and the watersiders. Consequently, the local unions actively monitored the equalization of hours. Bert (the former bureau allocator) said that often walking delegates used to complain to the bureau about equalization practices:

> they [the allocators] were watched very carefully and the walking delegate would come in and say this bloke's complaining that he's not getting a decent run, and you'd have to produce all the time-sheets and say 'well there's what his hours have been in the last three months', or something. (Interview)

Indeed the Wellington Union actually employed one of its members on a full-time basis to oversee the allocation of work. However, it was not possible for union officials to monitor individuals' earnings.

Nonetheless, this latter issue was addressed in part at the Port of Auckland through a bureau rule that was passed in 1957 to the effect that if watersiders felt that they are getting "a preponderance of work at a certain type of job, the worker has the right of appeal". On two occasions port unions actually took cases to the Waterfront Industry Tribunal regarding the allocation of work to their members. The first case was brought by the Auckland Union in 1962 on behalf of two men who allegedly suffered a loss in wages through 'mistakes' being made by the bureau in allocating work. However the Tribunal disallowed the claim, stating that: "There is considerable doubt whether this Tribunal has jurisdiction to adjudicate upon what seems to be, in law, a civil claim against the Commission".[28] Similarly, in a case brought by the Taranaki Union in 1965 regarding a loss of wages to watersiders who it claimed had not been employed in conformity with the principle of equalization of hours, the Tribunal noted: "The

[28] WIT Decision 367, 11/7/62. Waterfront Industry Commission Records, W3472, Box 55 (National Archives).

principle of equalization extends only to hours of work and does not guarantee an equality of earnings."[29]

This issue, in its entirety, indicates the problems that surrounded the union-sponsored system of compulsory equalization of work. Principally, the 'areas of uncertainty', which resulted in discretion being given to administrative personnel within the bureau system, had the potential to undermine the formal 'horizontal' organization of the labour market. The port unions 'policed' the system as vigilantly as possible, in order to eliminate the potential for corruption. In so doing, they minimized the potential of these 'areas of uncertainty' to undermine the *formal* principles that the system of labour allocation was based on (equalization of hours of work, that is). However this approach was not available to the unions in their attempts to eliminate the significant disparities in watersiders' earnings which resulted from allocation to work with differing levels of bonus payments. Instead, the port unions eliminated the potential of earning differences to erode the horizontal organization of the labour market by securing agreement from their members to *collectively pool all bonus payments*. I provide a detailed discussion of this process in Chapter 6.

(6) Further Observations About the Organization of the Labour Market

In this section, I will characterize in a conceptual manner the 'type' of labour market that emerged on the waterfront, based on the discussion in the preceding sections of the internal dynamics of the labour market. I will take Littler's analysis of Taylorism as my point of departure. Littler (1978:185) defines Taylorism as the "bureaucratization of the structure of control, but *not* the employment relationship." He argues that two of the crucial hallmarks of

[29] WIT Decision 473, 3/12/65. Waterfront Industry Commission Records, W3472, Box 55 (National Archives).

bureaucratized employment relationships (namely a 'career system' and 'fixed salaries') are absent under Taylorism. Rather Taylorism is characterized by what he terms a "minimum interaction" employment relationship.[30] Of course, an assumption implicit within Littler's analysis is that the site of bureaucracy is the firm, insofar as he argues that the bureaucratic model implies *direct* employment. Similarly he assumes, following Weber, that bureaucracy operates to create a hierarchy (a career system, that is).

The first observation that I wish to make about the waterfront labour market is as follows. The bureau system produced a form of 'inverted Taylorism' (using Littler's definition): it bureaucratized the employment relationship but *not* the structure of control. This comment on the structure of control anticipates an argument that I will develop in Chapter 6. At this point, however, I will restrict the discussion to reflecting on the 'bureaucratized' employment relationship, a claim which I must immediately qualify. For this relationship did not contain all of the elements of the Weberian ideal-type of bureaucracy (as outlined by Littler). As is the case with Taylorism, a 'career structure' was notably absent from the waterfront (insofar as there was no seniority for individuals or access to positions higher up the ladder). Rather it blended elements of a bureaucratic system (except the existence of a career structure) with a 'minimum interaction' employment relationship (which was a result of state regulation rather than managerial choice), wherein waterside workers were not permanently employed by firms, to produce a distinct 'hybrid' form of employment relationship.

Rather than the bureaucratic techniques of keeping files and enforcing impersonal rules producing a *hierarchically* organized labour market, they resulted in a labour market which was structured *horizontally* around the principle of work

[30] Littler takes this term from the work of L.E. Davis, who defines it as "a minimal connection between the individual and the organization in terms of skill, training, involvement and the complexity of his contribution".

equalization. A system of work equalization (based on averaging) took the place of the hierarchically organized internal markets characteristic of the central sites of Weberian bureaucracy that Littler refers to (namely government departments such as the railways and the police). Thus the problem of commitment of individual workers was solved not through supplying a 'career structure' and 'career motivation', but rather through the principles of enforced averaging and equalization, which had a 'levelling' effect. This 'hybrid' employment relationship centered on the use of exclusive registers as 'administrative tools' in order to equalize the distribution of work.

However, like all systems that are composed of bureaucratic elements, this hybrid employment relationship contained within it 'areas of uncertainty' which served as the basis for 'parallel power relations'. These latter, in turn, threatened to undermine the principles that the employment relationship was based on. The fact that the system of labour allocation was based on rules, which necessarily could not deal with all eventualities, meant that it was not a static system. As I argued in the preceding section, bureau staff necessarily had some discretion in allocating work. Consequently the local unions had to continually monitor this system to ensure fairness, which resulted in them seeking to pool the bonus at each port. Paradoxically, then, the fact that the system contained bureaucratic elements rendered it dynamic rather than static. Analytically, this requires a sensitivity to process as much as to structure.

I will conclude this section by briefly reflecting on a set of debates which replicate, in the context of discussions about 'flexibility', the assumptions about the hierarchical nature of bureaucratic arrangements which characterize studies located in the labour process tradition (such as Littler's). According to the 'flexibility literature', flexibility is only achieved by eliminating bureaucratic forms. For Piore and Sabel (1984) this is achieved by developing a reinvigorated

'craft' tradition, based on the use of computer-based technology, in opposition to the hitherto dominant bureaucratic modes of organization. For Atkinson (1984, 1985, 1987), who developed the 'flexible firm' model, flexibility is achieved by introducing casual labour into the bureaucratic form of the modern industrial capitalist firm. This involves renegotiating the boundary between the internal and external labour markets. Within the bureau system, however, bureaucratic forms within the labour market 'equalized' and hence produced horizontal rather than hierarchical sets of relationships. More importantly from the point of view of critiquing this literature, however, is the fact that a bureaucratic form which secured and regulated a type of 'internal' labour market itself produced a form of flexibility. However it was flexibility *for labour* as much as for employers.

(6) Conclusion

This chapter has identified the pattern of power relations between the key actors within the sphere of employment relations. By emphasizing that the structure of labour markets is a result of the 'power resources' that the key actors can secure control of within them, Fligstein and Fernandez's model provided a useful starting-point for the analysis. I demonstrated that the degree of control the port unions exercised over certain key resources resulted in them developing considerable power within the labour market.

First and foremost, the labour market took an occupational form organized around exclusive registers at the port level which limited the size of the labour supply. Union membership was linked to registration such that all registered workers had to belong to the local port union. Formal joint control of register strengths gave the unions the ability to constrain the size of the workforce and *ipso facto* the size of their own membership. Furthermore, a 'minimum interaction' employment relationship was grafted to a set of rules jointly negotiated by the unions which

formally encoded the principles of work equalization. Internally, the labour market was therefore organized horizontally, rather than hierarchically.

Although the occupational registration significantly strengthened the position of the port unions relative to the employers, the resulting labour market was not characterized by completely prefigured power relations which automatically resulted from the labour supply being taken out of competition. I have attempted to provide a detailed analysis which points to more subtle and nuanced sets of power relations, which the establishment of exclusive registers did not predetermine. Hence the emphasis in this chapter on social process as much as on structure: at a level beneath the structural 'givens', power relations crystallized over time. In each case the unions were able to further secure control over aspects of the labour supply: by securing informal control over recruitment; by managing register strengths and the use of casual labour such that high average earnings resulted; by seeking to ensure that work was fairly distributed by bureau officials in accordance with bureau rules; and eventually by pooling bonus payments to ensure that earnings were evenly distributed among their members.

Overall, the organization of the labour market produced an environment within which unionism thrived, and provided an important source of union strength which impacted on patterns of industrial relations and work relations during the 1950s and 1960s. It is to examining these patterns that I now turn.

CHAPTER 5 : INDUSTRIAL RELATIONS 1953-1971

(1) Introduction

In the preceding chapter, which dealt with employment relations, I examined how the state institutionalized an occupational registration system on the waterfront. I then explored how this system, in turn, shaped the pattern of power relations which emerged within the labour market, based on the power resources that the respective institutional actors could gain control of within it. In this chapter I will shift from the realm of employment relations, which comprised recruitment (entry to the labour market), register strengths (the size of the labour supply) and bureau rules (how labour was allocated to employers), to how the rules governing work were negotiated, and how the practice of industrial relations was conducted.

To recapitulate, the distinction between employment relations and industrial relations does not merely have analytical purchase, rather it corresponds to a real set of arrangements which existed on the waterfront. The labour market was organized in a manner which systematically separated it from the way that work was regulated and controlled, and a separate set of rules regulated each of these spheres. Not only were bureau rules completely separate from the rules governing work, the manner in and level at which each of these sets of rules were negotiated differed. Bureau rules were the outcome of negotiations between unions and employers at the port level, as were agreements over register strengths and informal agreements over recruitment. Within industrial relations, however, there were two other levels where bargaining took place: firstly the national level, and secondly a level lower than the port in the form of bargaining between port unions and individual employers.

Nonetheless, despite the differences between these spheres, the pattern of power relations within employment relations affected the pattern that emerged within industrial relations. For example, within employment relations the unions had joint control over certain levers, particularly the size of the labour supply which, against the backdrop of general economic prosperity and labour shortages, one would expect to translate into considerable gains at the level of bargaining over wages and conditions. However, the extent to which the unions were collectively able to exert pressure upon these levers to extract such gains was shaped and constrained by the regulatory framework which governed industrial relations. Consequently, control of these 'resources' within the labour market did not automatically and unambiguously translate into sheer 'bargaining power' within the realm of industrial relations. Rather, it was refracted through the state-regulated industrial relations system which facilitated some courses of action, but closed off others.

This chapter will perform two (not unrelated) tasks. First, it will provide an overview of patterns of bargaining along with an assessment, in broad brushstrokes, of what was achieved by the unions in terms of wages and conditions. This will largely be a chronicle of the unions gradually 'clawing back' much of what had been lost as a result of the dispute in 1951. Second, the intra- and inter-organizational dimensions to the practice of industrial relations will be examined. As in the previous chapters, I will elaborate the theme of the constraining, but also constitutive effects of legal regulation with respect to the 'institutional constitution of actors and interests'. Indeed, this chapter will be as much about the way that the relationships between these actors were played out in a series of tensions between the national and the local, between centralized and decentralized forms of organization, bargaining, and modes of action, as it will be about the outcomes of actual bargaining processes in terms of wages and conditions.

(2) Industrial Relations and the State

Historically, it is in the realm of industrial relations, perhaps more so than in any other, that the role of the state in New Zealand is unique. From its origins in the Industrial Conciliation and Arbitration Act (1894), the New Zealand state established a system of industrial relations which has been approximated only by Australia. Through this system, state-appointed agencies mediated power relations between employers and unions. In no sense did 'labour' and 'capital' confront each other unmediated, as already organized 'blocs'; rather there were a series of institutions which constituted actors and interests. As Walsh and Fougere (1987:192) observe:

> The arbitration system was as much about the making of groups and the structuring of relationships among them as it was about the setting of wages or conditions.

Although with respect to the waterfront the issues of legal regulation extend well beyond industrial relations to the system of labour administration as a whole, their point is consonant with the argument I developed earlier, that actors and sets of interests were institutionally constituted through legal regulation. My argument is in accord with that of Walsh, an insightful commentator on industrial relations in New Zealand, who draws on the 'new institutionalism' to fashion an analysis of the state's role:

> The institutional structure established by the State not only brings union and employer organizations into existence, but its rules and procedures define their interests . . . . Once the structure is in place, the interests of unions and employers, the strategies they follow and how they relate to each other and the State, become to a significant degree defined in terms of what can and cannot be done under that structure. . . . [T]he relationship between unions and employers

> unfolds in the context of the institutional structure of the State's industrial relations policies (Walsh 1993:174).

In addressing the effects of the state-regulated arbitration system upon power relations between unions and employers, therefore, it must be recognized that, with respect to sets of actors and interests and possible courses of action, this system was both *constraining* and *constitutive*.

With respect to sets of actors, the framework of legal regulation and the arbitration system was such that New Zealand would appear to be a classic example of a 'collectivistic' system that was based on forms of organization which were 'externalized'. The term 'externalization' was coined by Gospel to refer to a particular management strategy: "a firm can be said to externalize its industrial relations when it hands its dealings with a trade union over to an association of employers outside the firm" (1992:9). However this concept can equally be applied to labour, such as when local workplace-based unions hand their dealings with employers over to a national organization. Each case "represents a form of delegation to an outside body" (ibid:9).

But whether 'externalization' occurs is not merely a matter of employer or worker *strategy*. Instead it is crucially affected by the institutional framework within which the practice of industrial relations is conducted. For instance, New Zealand's state-regulated system is typically regarded as having promoted externalization, by fostering the formation of national unions and employers' organizations. The New Zealand system, post-1936, is usually depicted as a centralized and homogeneous system wherein the main actors were these national organizations which acted in and through the legally enforceable national award system. This system not only guaranteed unions a membership (through compulsory unionism), it extended the coverage of national awards to all

employers of workers within the occupational grouping specified in the award, irrespective of whether they were actually involved in the negotiations which secured these agreements (see Roth 1974:100-2). This arrangement took wages and conditions out of competition nationally, and individual employers could only reintroduce competition by 'bidding up' the minimums enshrined in their respective national award.

The hegemony of the arbitration system is generally assumed to be so great that it has gone largely un-noticed that industrial relations in New Zealand's ports, an important site of blue-collar work comprising workers and unions which historically have been central to the labour movement, were from 1940 until 1989 regulated by a specialized legally constituted institutional framework located outside this system.[1] To be sure, industry-specific studies (e.g. Fernandez 1969; Turkington 1976), and the more perceptive and detailed studies of labour markets and unions (e.g. Young 1974; Roth 1993), along with legal texts (Geare 1983), recognize the unique arrangements on the waterfront. But the authors who provide *general overviews* of historical patterns of industrial relations in New Zealand (such as Boston 1984; Deeks and Boxall 1989; Hill 1994) tend to overlook this fact. This oversight occurs because these latter authors usually attempt to characterize New Zealand as having an homogeneous system. But rather than there being a single hermetically sealed 'system of industrial relations' (Dunlop 1958), legal regulation - which was the hallmark of arrangements in New Zealand - sustained many diverse patterns which varied considerably between occupations and industries.

[1] The establishment of the Waterfront Control Commission in 1940 marked the exit of the waterfront industry from the jurisdiction of the Arbitration Court. The institutions which took the place of the Court were altered both in name and in function several times during the 1940s (see Bassett 1972:13-33) until the Waterfront Industry Commission and Waterfront Industry Tribunal were finally locked in place by means of the Waterfront Industry Act 1953. Given the time period covered by this thesis, the discussion of industrial relations in this chapter will be restricted to the period after the Waterfront Industry Act was passed. For a discussion of industrial relations in the period 1940-52 the reader is directed to Green (1989), Bassett (1972) and Scott (1952).

As I alluded to earlier, New Zealand's state-regulated arbitration system was part of a unique *Australasian* system. In a path-breaking article on the effects of the Australian variant of this system, Littler et al. write:

> The conventional view in the literature is that arbitration has had a centralizing effect, whereby wage and work control struggles have been drawn away from the workplace. This, in turn, is seen to have resulted in Australia having comparatively under-developed industrial relations structures and processes at the workplace (1989:510).

This statement regarding the 'conventional view' applies equally to New Zealand. However, in this chapter I will reject the characterization of New Zealand's 'system' as standardized and homogenous, which automatically guaranteed national bargaining and national agreements, and subordinated the local to the national. Instead I will demonstrate that the effects of the state-sponsored waterfront arbitration system contradict the 'conventional view', that industrial relations on the waterfront were as much decentralized as centralized, as much driven 'from below' (by port unions and employers) as 'from above' (by national organizations), and that this was one of the principal sources of tension within the system.

But first it is necessary to deal in some detail with the framework of legal regulation on the waterfront in order, as Zeitlin urges, to tease out the *actual* "constraints that specific systems of legal and administrative regulation . . . impose on union [and employer] activity under particular circumstances" (1985:4). The legally constituted occupational registration system established by the Waterfront Industry Act (1953) had its concomitant in the legal regulation of industrial relations. In effect, the Act created a 'mini-arbitration system' specific to

waterside workers and their employers.[2] The fact that the three other main occupational groups on the waterfront (harbour workers, foremen-stevedores and tally clerks) remained within the arbitration system, and subject to the rulings of the Arbitration Court rather than the Waterfront Industry Tribunal, further illustrates my argument that the bureau system of labour administration, as it was originally conceived, was a system of *occupational* rather than *industrial* governance.[3]

Although the 1953 Waterfront Industry Act institutionalized an occupational registration system, this system extended registration only to individuals and not to their unions.[4] Thus the only part of the legal framework of the arbitration system generally that applied to waterside workers and their employers were the clauses in the Industrial Conciliation and Arbitration Act relating to the registration of union and employer organizations and, moreover, which limited the capacity of unions to take industrial action.[5] Although the occupation of waterfront work was located outside the arbitration system proper, the legal framework which regulated it shared the same basic tenets of this system with respect to abrogating "the traditional trade union principle of the right to strike" (Roth 1974:100). By registering under the IC&A Act waterfront unions were, *ipso facto*, required to abide by an implicit commitment to conciliation (through Port Conciliation

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[2] Very few industries in the private sector had specialized institutions that approximated the Waterfront Industry Tribunal, which was established by the 1953 Act. More recent examples are the Tribunals created under the Aircrew Industrial Tribunal Act 1971 and the Agricultural Workers Act 1977 (see Geare 1983:52).

[3] These peripheral occupations were part of the conventional arbitration system until an amended form of the Waterfront Industry Act was passed in 1976 which brought these occupations within the ambit of the Waterfront Industry Tribunal. The Act and its effects will be dealt with in the chapters in Section 5 of the thesis.

[4] Indeed, the Act defines a 'union' as "an industrial union of waterside workers registered under the Industrial Conciliation and Arbitration Act 1925."

[5] Compulsory unionism, which the Industrial Conciliation and Arbitration Act 1936 established, was automatically guaranteed on the waterfront even after it was abolished in by an amendment to this latter Act in 1961. Section 28(3) of the 1953 Waterfront Industry Act required all workers to join a union no more than seven days after having their name placed on a bureau register, and all registered workers had the automatic right to join the union at the port where they were registered. That is one of the reasons why the port unions pushed for 'joint control' of recruitment, because all registered watersiders automatically became union members.

Committees and the National Conciliation Committee) and compulsory arbitration (by the Tribunal) during the course of an order and during bargaining for a new order.[6] All strikes by registered unions were therefore illegal (see Roth 1974:100).[7] Although under the Act union registration was voluntary, with non-registered unions retaining the right to strike (Bretten 1968:760), there was considerable incentive to register insofar as non-registered or deregistered unions could be displaced by newly registered unions (Roth 1974:104).[8] The experience of waterfront unions following the 1951 dispute is a case in point.

Insofar as waterfront unions were registered under the IC&A Act, they were required to "surrender . . . the right to strike" in return for "access to the conciliation and arbitration machinery" (Roth 1974:101). Once again, there was both a constraining and constitutive element to this arrangement. As Littler et al. note regarding Australia:

> the very existence of the arbitration system will influence the strategic choices of the parties by providing an additional mechanism for pursuing their objectives and by affecting their capacity to employ other methods (1989:514).

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[6] As Bretten points out, "the primary purpose of registration is to secure an agreement or award which will be binding upon the employers, union and workers concerned, and which, notwithstanding the expiration of its currency, will be deemed to continue in force until a new award or industrial agreement has been duly made and has come into operation. It follows that from the time when the members of a particular industrial union *are first bound by* an agreement or award, any strike action which they take will inevitably be unlawful unless the Minister has cancelled the award or agreement so far as it relates to that union" (1968:754, emphasis added).

[7] As well as providing for substantial fines that could be imposed on union members, the IC&A Act allowed the Minister of Labour to deregister a union (Bretten 1968:756). The preparedness of governments to use this latter provision was most graphically demonstrated by the alacrity with which the Waterside Workers' Union was deregistered during the dispute in 1951. Whether or not this was in fact a 'strike' as such or a 'lockout' was, and continues to be, a matter of contention.

[8] Roth (1974:104) writes that "Dual unionism is not only possible where a union has cancelled or lost its registration under the Arbitration Act, but it works in such a way that it will invariably drive the unregistered union from the field and kill it." Nowhere was this more clearly demonstrated than at the Port of Wellington after the 1951 waterfront dispute (see Chapter 3). "This had been proved time and again", Roth continues, "and it makes nonsense of the oft-repeated claim that registration under the Act is voluntary (which is of course technically correct) and that there is a legal right to strike in New Zealand, which the great majority of unions have surrendered of their own free will by registering" (ibid:104).

However, as we shall subsequently see graphically illustrated in comments by union officials in the following section, New Zealand's waterfront unions in the main regarded compulsory arbitration as a constraint rather than a resource.

In every other respect, however, the legal framework which regulated industrial relations on the waterfront was established by the 1953 Waterfront Industry Act. As I argued in Chapter 3, there was a certain degree of indeterminacy within the Act. Consequently patterns of bargaining, whether national or local, cannot merely be 'read off' from, and were not unambiguously prefigured by the legislative provisions it contained. To some extent, therefore, the effects of the Act can only be gauged from the actual pattern of bargaining which it supported. Although I will briefly deal with the main provisions of the Act as they pertain to bargaining, rather than engaging in a detailed analysis of jurisprudence my emphasis will be on supplying examples of how these provisions worked out in practice.

It is significant that, as well as recognizing national organizations, the Act formally constituted port unions and individual employers as actors within the realm of industrial relations. The 1953 Act explicitly states that "*Any union* or association or the New Zealand Port Employers Association Incorporated *or any employer of waterside workers* may at any time apply to the Tribunal in the prescribed form for a principal order or other order."[9] In effect, this provision potentially allowed a tier of bargaining and agreements at the port level and the company level to evolve and coexist alongside bargaining over wages and conditions at a national level and a national agreement.

[9] Waterfront Industry Act 1953, s 14(1) (emphasis added). This arrangement contrasts with the realm of employment relations, where port unions and the Port Employers Association were formally designated as the actors (thereby subordinating firms).

Although the Act does not make explicit reference to national agreements as such, it does refer to the capacity of the Tribunal to make 'principal orders as to pay and conditions of work', wherein some sort of national agreement was undoubtedly envisaged. The national agreements which subsequently were settled were termed *General* Principal Orders. To be sure, a state-sponsored forum for national bargaining (through a specially constituted National Conciliation Committee) was provided, together with ultimate recourse to the compulsory arbitration (via the Tribunal) if agreement could not be reached. However, bargaining at this level was not automatic or inevitable. Indeed in setting out the provision for the Minister of Labour to appoint a National Conciliation Committee, national bargaining was not mentioned; rather the stipulation was merely that such a Committee had to be constituted to deal with "any specified application relating to *two or more ports*" (s 37(1), emphasis added). The conciliation forum for applications from unions and employers at a single port, on the other hand, was the local Port Conciliation Committee.

While the Act does contain a type of 'subsequent parties' clause, its effects were in practice limited. Section 25(1) of the Act states that "Every order and decision made by the Tribunal under this Act shall be binding on all persons whom the order or decision purports to affect, whether or not any such person, in the case of an employer, is a member of the New Zealand Port Employers' Association Incorporated or, in the case of a worker, is a member of any union." Thus national agreements seemingly applied to all employers (including, for example, shipping companies that irregularly visited New Zealand and were not members of the PEA) and all waterside workers (including casuals). In practice, however, national agreements applied to these parties only at the specific ports which were named in the order. In other words, all employers and workers at *named ports* had to abide by the agreement. And national agreements never 'purported to affect' any port where the local union was not a signatory to the agreement.

The difficulties associated with bargaining at the national level were exacerbated by the fact that the unions' national organization was in fact a 'Joint Council' comprised of two regionally based federations of local port unions (rather than a national union as such).[10] Together with being empowered by the Act as 'actors', this organizational structure gave port unions considerable autonomy and latitude to act within the realm of industrial relations. In practice, the Federations would not bargain on behalf of non-members, and national agreements did not apply to ports where the union was not a signatory. This was graphically illustrated in 1953 when the Picton Union withdrew from the South Island Federation, negotiated its own agreement with the port employers and its members proceeded to work outside of the newly negotiated national agreement (GPO 24). Even for unions that were members of a Federation, a GPO could not be implemented at a port until it was ratified by the local union by ballot. Once again, this was vividly demonstrated in 1970 when for a period of seven months the Auckland Union refused to ratify a national agreement (GPO 305), and sought instead to renegotiate its own port order. Similarly national agreements, in practice, did not automatically apply to ports which were not named. This became apparent in 1958 when the Port of Kaiapoi reopened and the South Island Federation was forced, in the face of opposition from workers there, to seek an agreement relating specifically to this port.

These examples will be dealt with in greater depth in this chapter, but for the moment they illustrate the fragile nature of bargaining at the national level, which

[10] To recap, the two union organizations were respectively called the North Island Waterfront Workers Industrial Association and the South Island Waterside Workers Federation. Following the Lyttelton Union's decision to join the North Island Association, the Association changed its name in 1964 to the Northern, Taranaki, Wellington, and Canterbury Federation of Waterside Unions. It changed its name once more in 1966, when Port Chalmers joined, to the Northern, Taranaki, Wellington, Canterbury, Otago and Southland Federation of Waterside Unions. As in the preceding chapters, I will refer to the two organizations as the North Island Federation and the South Island Federation.

involved a quest to negotiate an agreement which was acceptable to all on both sides. And, as the preceding examples indicate, the barrier to achieving a truly national agreement was more often not the Port Employers Association, but rather individual port unions. To reiterate, whatever the formal provisions and requirements of the Act, this is how the system worked *in practice*.

As well as national bargaining to establish General Principal Orders (as national agreements were called), there were two other levels where formal bargaining took place and codified agreements were made. The first of these is the level of the port, where Supplementary Principal Orders were negotiated. Although this tier of bargaining largely evolved by agreement between the Federations and the PEA, and port orders were usually appended to the national document, procedurally this type of agreement did not *require* the involvement of the national organizations. The second level was that of agreements between particular companies and port unions at either the company or site levels which were codified in Principal Orders.[11]

That the Act explicitly allowed for such local bargaining was, however, a somewhat exceptional situation when compared to industries within the jurisdiction of the arbitration system proper. During this period decentralized bargaining, which resulted in 'second tier' agreements, was characteristic also of these industries. Walsh (1993:190) argues that the arbitration system generally was 'in decline' because of "the actions of unions and employers from the 1950s and 1960s onwards, as they shifted to direct bargaining outside the system."[12] He continues:

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[11] It should be noted that this is only one type of Principal Order issued by the Tribunal. Other types dealt with modifications to the GPO, and agreements between the Federations and the PEA on issues that affected all ports.

[12] Walsh argues that "A number of factors contributed to the development of second-tier bargaining. A long period of labour scarcity gave unions and workers a bargaining advantage and employers an interest in buying labour and industrial peace. New patterns of industrialization brought into existence large and often geographically isolated sites with new technologies and

> Agreements negotiated on either a plant, company or regional basis, which came to be called second-tier agreements, for the most part stood outside the arbitration system. They set wages and conditions of employment superior to those in the award that would otherwise have applied. (ibid:181).

But such agreements, as 'voluntary collective agreements', were not until 1973 able to be legally registered.[13]

Because the Waterfront Industry Act, unlike the Arbitration System generally, expressly permitted the negotiation of legally enforceable local (port, company and site) agreements which procedurally did not require the involvement of the national organizations, tensions arose regarding who was the 'collective actor': the unions or the Federation, the PEA or individual employers. The institutional resources the Act made available to individual unions and employers at the port level meant that they did not have to rely upon the national organization because they could negotiate locally and had independent recourse to the Tribunal to adjudicate disputes and to ratify local agreements. Because port unions and individual employers were formally constituted in this manner as actors within industrial relations, the propensity towards centralization or decentralization was therefore mediated by the organizational capacities of the PEA and the Waterside Workers' Federations. This centered on the ability of each of these organizations to ensure that their members observed their respective policies. Bargaining at the national level *required* some sort of national organization which, in turn, implied some degree of centralization of decision-making and action at a *national* level

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working conditions that were better covered by their own site agreement rather than the various occupational awards" (1993:181).

[13] The Industrial Relations Act 1973, which modified the Arbitration System, "recognized a trend toward direct bargaining" by allowing for "voluntary collective agreements" to be registered, "to bring this form of activity within the formal system" (Hince 1993:8). Walsh (1993:183) argues that the 1973 Act, together with the Industrial Conciliation and Arbitration Amendment Act 1970, "sought to restore the primacy of awards and establish an orderly relationship between awards and second-tier bargaining."

both on the part of the unions and the employers' association (a degree of 'externalization', that is). If this 'delegation' or 'externalization' broke down, the whole process of negotiating national agreements could also break down.

Industrial relations on the waterfront were, therefore, simultaneously centralized *and* decentralized, contra the 'conventional view' regarding the effects of state-regulated arbitration systems. However this was not a 'functional' or dovetailed division between centralized and decentralized bargaining and industrial agreements. Rather, the tension and shifting balance between centralization and decentralization was a key dynamic which structured industrial relations in the period under consideration. This tension was expressed both *within* and *between* the unions and employers national organizations. It was the complex (and contingent) interplay between the options provided, and constraints imposed by the state-regulated system, in concert with the shifting balance between centralization and decentralization (both of organizational form and of bargaining), which resulted in the distinctive pattern of industrial relations on the waterfront during the period under consideration.

(3) Union Strategies and Employer Strategies

Which of the complex matrix of bargaining 'options' provided by the Waterfront Industry Act were taken up was shaped by the respective strategies of the unions and of the employers, and their organizational capacities to realize these strategies. In this section I will sketch in the main elements of the strategy of each set of actors, with respect to the level at which negotiations were conducted and how agreements were actually secured (whether 'by consent' or by means of compulsory arbitration). Then in the next section I will discuss in detail the pattern of bargaining which crystallized over time, and the bargaining outcomes which actually resulted.

(3.1) Union Strategies

An unusual combination of arrangements, with respect to union organizational form, bargaining procedures and industrial agreements, existed on the waterfront during the 1950s and for most of the 1960s. On the one hand, the waterside workers' national organization was until 1967 split between a North Island Federation and a South Island Federation of *local* port unions, which were organized in an exclusive (almost craft-like) manner around exclusive registers, and both the port and the workplace were central to bargaining. Yet the unions were also party to a national agreement (the General Principal Order) and collective bargaining with the Port Employers Association at the national level was central to the practice of industrial relations.

The key to these seemingly paradoxical arrangements, as I noted above, is that the system was simultaneously centralized *and* decentralized. A state-sponsored forum for national bargaining (the National Conciliation Committee) was provided, together with ultimate recourse to compulsory arbitration via the Tribunal if an agreement could not be reached. Nonetheless, bargaining at this level was not automatic or inevitable, particularly insofar as the unions were split between two regionally-based federations whose individual member unions differed both in outlook and militancy. For instance, in 1964 the members of the Bluff Union passed the following remit "That the South Island Federation investigate the possibility of negotiating a separate Principal Order."[14] Although such negotiations were never entered into, this example (together with those mentioned in the preceding section) illustrates the precariously balanced nature of bargaining at the national level.

[14] Letter from Bluff Union Secretary to South Island Waterside Workers Federation Secretary, 12/11/64. New Zealand Waterfront Workers Union Records, 92-305, Box 2/1 (Alexander Turnbull Library, NLNZ).

To successfully negotiate at this level, the unions had to overcome a number of organizational difficulties. Collective bargaining at the national level *required* a degree of "centralization of authority" (Zeitlin 1987:162) within the national organization. Negotiating a national document was fundamental to the practice of trade unionism by the Federations. Indeed, the main reason why the South Island Federation forced the formation of a union at the Port of Kaiapoi in 1960, against the wishes of some of the workers there, was so that they would not work outside of the General Principal Order.[15] General Secretary Jim Roberts wrote in a letter to a sympathetic worker at Kaiapoi that:

> our National Executive . . . are very anxious to get the Union established and obtain an agreement in line with the GPO of the waterside workers for your port.[16]

That such a small group of workers was perceived as a possible threat to the integrity of the national agreement also underscores the importance to the Federations of the GPO as the 'cornerstone', or foundation, of industrial relations on the waterfront. The GPO was used by the federations to set minimum wages and conditions - it took wages out of competition nationally by setting hourly rates, establishing guaranteed payments, rates for special cargoes (which in practice were the minimum rates, as I will demonstrate in the next chapter) and so forth; it did the same with respect to hours of work, gang sizes, holidays and other conditions of work.

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[15] An exceptional situation existed at this port, which was located at the mouth of the Kaiapoi River: "The Port of Kaiapoi was reopened to coastal shipping in November 1958 after being closed for 22 years. . . . Two coastal shipping companies are providing a regular service between Wellington and Kaiapoi" (WIC Report 1962:5-6). This was a very small port, and the main employer was the Collingwood Shipping Company. Not only was there no union, the bureau system was not in operation there either. The men largely worked on a casual basis and a union had not been formed. Furthermore, there was no industrial agreement, award, or order in force at this port. The bureau system was never established at this port, and the number of members of the union fluctuated between zero and fourteen during the 1960s.

[16] Letter from Jim Roberts to John Lloyd, 9/11/59. New Zealand Waterfront Workers Union Records, 92-305, Box 2/4 (Alexander Turnbull Library, NLNZ).

The claims for the GPO regarding wages and conditions were compiled via remits at national conferences which were submitted by the port unions and then voted upon, and then sought in negotiations by a negotiating committee comprising representatives of the North Island and South Island Federations. Following the satisfactory settlement of an agreement, a ballot of each port union was then conducted by the Federations to ratify the new GPO. In effect, this balloting process meant that the executive members of the Federations had to 'sell' the national document both to the executive members of the port unions and, moreover, to the rank and file. They frequently visited the ports with the document in tow, and actively canvassed support for it. As we shall see in the next section, it was by no means certain that the rank and file would lend their support; towards the end of the 1960s it became more difficult to get the large port unions to accept the document than the employers. Even when a document was accepted, the Federations were sensitive to, and maintained a keen interest in the extent to which the GPO satisfied local unions. For instance, General Secretary Roberts made a point of stressing at the 1954 South Island Federation conference that the Federation should obtain the opinion of the local unions as to how the newly negotiated GPO was working out at each port.[17]

The strategies employed by the Federations, with respect to the manner in which national and local negotiations should be conducted, also must be located in the context of the hostile attitude of the national level officials towards compulsory arbitration. In relation to Australia, Littler et al. write:

> it has been suggested that arbitration encourages a dichotomous set of union strategies. One is based around centralized negotiations heavily dependent on tribunals and with associated union structures and policies which de-emphasize workplace organization and bargaining. . . . The other extreme, significantly, does not eschew

[17] Minutes of the South Island Waterside Workers Federation Annual Conference, 30/11/54. New Zealand Waterfront Workers Union Records, 92-305, Box 1/13 (Alexander Turnbull Library, NLNZ).

> arbitration entirely, but uses it as a baseline (which needs raising through industrial action), while placing strong emphasis on the benefits of direct negotiation and semi-autonomous shopfloor organization. It tends to be associated with more decentralized union governing structures (1989:514).

Although this notion of a dichotomization of union strategies may be too stark to fully capture the complexity of the effects of the arbitration system in New Zealand, it does broadly correspond to the historic bifurcation between the 'arbitrationist' unions and the 'industrial' unions and their respective strategies (see Nolan and Walsh 1994).[18] Furthermore, the latter set of strategies identified by Littler et al. does approximate that of the Waterside Workers Federations during the 1950s and 1960s.[19]

As Walsh (1993:175) notes, traditionally there have been two roles played by labour courts in New Zealand: "as national tribunals determining wages and conditions of employment, and as adjudicators in disputes over the employment relationship." I will deal with the Federations approach to bargaining over wages and conditions in the next section. But for the moment I will briefly examine their approach to settling disputes because it illustrates not only the degree to which the Federations sought to circumvent the formal mechanisms of conciliation and arbitration, but also their attempts to constrain and channel the actions of the local port unions.

One of the first decisions of the Federations at the Joint Conference which was held in 1952 was to seek to establish an institution which would facilitate the circumvention of the formal mechanisms of conciliation and arbitration in the

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[18] The former (deregistered) Waterside Workers Union had a long history of antipathy towards compulsory arbitration which has been well-documented (see Holt 1986; Bassett 1972; Roth 1974). Indeed this antipathy is generally regarded as having been an important precipitating factor in the 1951 waterfront dispute (see Bassett 1972).

[19] Interestingly enough, Littler brackets the Australian Waterside Workers Federation as conforming to this pattern.

settling of disputes. As a result, the National Joint Interpretation Committee was established in 1953 by agreement with the Port Employers Association. The Committee comprised four employers' representatives and two representatives from each Federation of watersiders.[20] Its role was that of interpreting existing Principal Orders and resolving disputes that arose without referring them to the Tribunal.[21] That the Federations' reasons for seeking the establishment of the Committee was for it to act as an *alternative* to the formal institutions is indicated by comments of union officials at the time. The General Secretary of the South Island Federation, Jim Roberts, stated at the annual conference in 1953 that:

> we had set up an Interpretation Committee which, if successful, would to some extent eliminate the work of the PCCs and the Tribunal as far as the settlement of disputes was concerned.[22]

This attempt to circumvent the formal mechanisms established under the 1953 Waterfront Industry Act reflects the anti-arbitrationist sentiment which was expressed further by Roberts in the following statement:

> wherever it was practical, we should aim to adjust disputes ourselves. . . . On occasions disputes would arise which we may not be able to settle, and we would then require the services of the Tribunal. However, experience had shown that such Tribunals - whether the Court of Arbitration, the WIT or any other such body - had not been too liberal in their interpretations insofar as the claims of waterside workers were concerned.[23]

Similar sentiments were also apparent within the North Island Federation.

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[20] Minutes of the South Island Waterside Workers Federation Annual Conference 25/11/53. New Zealand Waterfront Workers Union Records, 92-305, Box 1/13 (Alexander Turnbull Library, NLNZ).

[21] Thus the disputes in question are 'disputes of rights', namely disputes "arising out of the interpretation or application of an existing collective agreement", as opposed to 'disputes of interest' which are disputes "arising either out of the negotiation of a new collective arrangement setting terms and conditions, or out of the renewal of an existing arrangement" (Geare 1983:196).

[22] Minutes of the South Island Waterside Workers Federation Annual Conference, 25/11/53. New Zealand Waterfront Workers Union Records, 92-305, Box 1/13 (Alexander Turnbull Library, NLNZ).

[23] Ibid.

Because individual unions had recourse to the Tribunal for settling disputes (and in making local agreements), the Federations had to try to regulate their activities, by making it mandatory that all claims be channelled through the national organization. At the third annual conference of the South Island Federation in 1954, Federation President Weith observed that:

> There had been a number of meetings of the National Interpretation Committee held during the year, and in the main we had been fairly successful in getting decisions in favour of the members - more so than the decisions given by the WIT. . . . Arising from this, it should be clearly accepted that the decision to take any dispute to the WIT was one that should be made by the Joint Council and not left to each Union to decide.[24]

Similarly, at the first annual conference of the North Island Federation in 1953, General Secretary Napier maintained that the local port unions were required to inform the Association of all matters submitted to the Waterfront Industry Tribunal, because its decisions could affect all ports.

This clearly indicates attempts by the Federations, using organizational pressure, to limit the port unions' autonomy and capacity to act which they had as a result of being formally constituted as actors within the field of industrial relations established by the Waterfront Industry Act 1953. There was always the danger that a local union would 'break ranks' and make a local agreement, or submit a case to the Tribunal, that the national organization did not agree with. Attempts to limit the port unions' 'field of play', both with respect to disputes and bargaining, were characteristic of the Federations' approach throughout the 1950s and 1960s.

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[24] Minutes of the South Island Waterside Workers Federation Annual Conference, 30/11/54. New Zealand Waterfront Workers Union Records, 92-305, Box 1/13 (Alexander Turnbull Library, NLNZ).

(3.2) Employer Strategies

The employers' industrial relations strategy had to be formulated on more than one front. This is because the Port Employers Association, unlike the watersiders' Federations, also had to negotiate through the arbitration system proper with the peripheral occupational groups (principally the foremen-stevedores and tally clerks) employed by its members.[25] Insofar as they were outside the jurisdiction of the Waterfront Industry Tribunal, these negotiations were conducted on a completely separate basis from those with waterside workers. But insofar as the watersiders were the central and numerically most significant occupational group 'employed' by members of the PEA, negotiations with this particular occupational grouping were the central ones that the PEA engaged in. Indeed, in many respects negotiations with watersiders set the scene for negotiations with these other occupational groups. For instance, the wage rate paid to foremen-stevedores was simply set at 38.5% above the basic ordinary time wage rate of watersiders.

Throughout the period in question, the PEA engaged in national level negotiations, and also negotiations at the port level. Indeed, there appears to have been a considerable degree of cooperation between the PEA and the Federations with respect to the order and manner in which these negotiations took place. The PEA also was prepared, for a large part of this period, to engage in direct negotiations with the Federations and then to 'apply by consent' for the documents to be registered by the Tribunal. In the 1960s, however, there was an increase in the number of applications to the Tribunal by the employers, and a consequent decrease in the number of 'consent' applications.

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[25] The third group, the harbour workers, were employed by harbour boards which were represented in a separate employers' association (the Harbour Board Employers Union). In general, harbour boards did not retain waterside workers from the bureaux. There were however a few exceptions to this rule, and it should be noted that the harbour boards always had one representative on the National Conciliation Committee. This arrangement changed in 1976 when an amended Waterfront Industry Act brought the other three main occupational groups under the jurisdiction of the Tribunal.

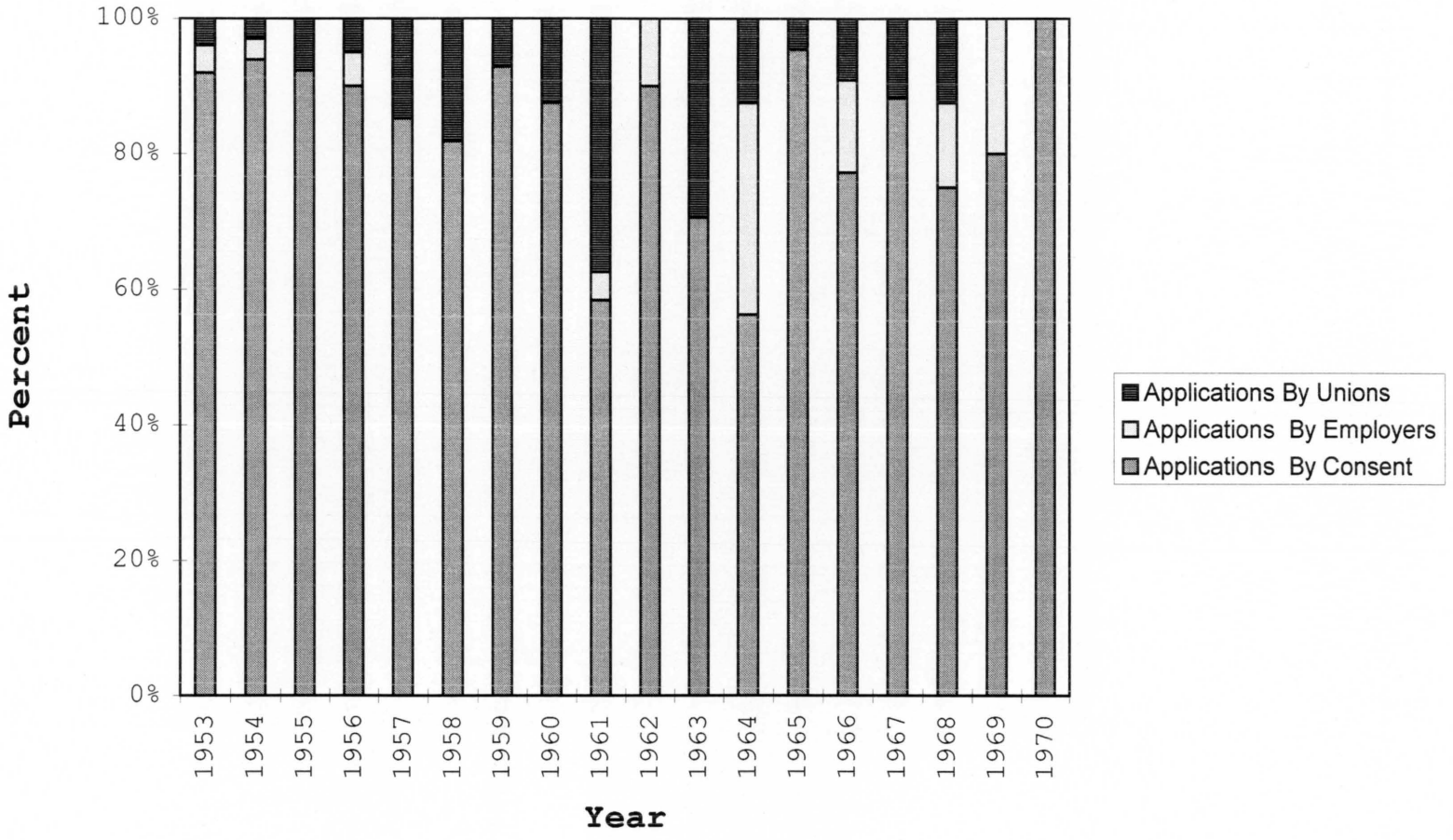
In general, the PEA sought to keep unions within the legal constraints which limited the right to strike by requiring a commitment to conciliation and arbitration. In effect, it sought to use the formal machinery of compulsory arbitration to establish industrial discipline, by preventing the unions from taking industrial action. Once again, the PEA had only limited success in this endeavour.

As I demonstrated in Chapter 3, the PEA was different from the watersiders' Federations in that it was a centralized national organization with branches at the port level which had only a limited amount of independence from the national body. Industrial relations policy, both in relation to bargaining and the manner in which disputes were handled, was therefore easier to formulate and enforce than within the Federations which were a relatively loose grouping of local unions. Although employers were not compulsorily required to join the PEA (and some of the itinerant shipping companies which visited New Zealand irregularly, as well as some of the smaller stevedoring companies, were not members), during the 1960s the majority of firms did in fact belong to this organization.

However the PEA was by no means comprised of an homogeneous set of interests. In Chapter 3, I demonstrated that the Association was split between the Overseas Shipowners (which included the Conference Lines) and the New Zealand Shipowners Federation, each with their own respective sets of interests. These divisions, however, were largely submerged until the lead-up to containerization in the mid-1960s. Around this time, internal rifts started to appear over the different terms and conditions that each of these interest-groups wanted the PEA to pursue in national negotiations with the Federations. A notable example here is shiftwork.

Furthermore, the PEA faced problems similar to the Federations regarding the status of its members as actors within industrial relations. Individual firms could

Graph 5.1 Principal Orders Issued By WIT



(and did) negotiate locally with unions for principal orders, and could also submit matters to the Tribunal. Thus the PEA sought to exercise control over its members, through its local branches, with respect to bargaining at the local level. Because of the nature of the organization, the PEA was by and large successful in coordinating nationally the activities of its members with respect to tactics, bargaining and the practice of industrial relations generally. However, the rifts that appeared within this organization in the late 1960s called into question the ability of the employers to confront the Federations as a united 'bloc'.

Another crucial part of the employers' strategy was to monitor, through its local port branches, the organizational activities, power struggles and divisions within the Federations. This was, in effect, comparable to industrial espionage. The PEA engaged in this 'intelligence gathering' activity in order to attempt to exploit the divisions between the two Federations, particularly the moderating effect of the more conservative element which existed in unions within the South Island Federation. A number of the PEA Annual Reports during the 1960s explicitly referred to the perceived power balance within the Federations. In particular, the PEA did not want the 'more militant' North Island Federation to gain the upper hand. However they were not to get this wish.

(4) The Pattern of Bargaining: Trends and Outcomes

To recapitulate, the resulting pattern of bargaining was a product of the strategies of the respective actors, along with their capacities to implement these strategies, refracted through the constraints imposed by the legally regulated system. One aspect of this pattern is illustrated in Graph 5.1 (compiled from data published in the annual Waterfront Industry Commission reports on Tribunal decisions), which demonstrates that throughout the 1950s the majority of Principal Orders were

established by means of 'Applications By Consent' of both parties.[26] The overall pattern reflects the general unwillingness of the unions to submit claims to the Tribunal, and also evidences the willingness of the employers to settle agreements by negotiation. A closer examination, however, reveals some variation in this pattern, particularly a fleeting relaxation on the part of the Federations of this approach. As we shall see, this was coupled with an increasing willingness and capacity to engage in industrial action.

Graph 5.1 demonstrates that there were some orders applied for by the unions and employers during this period, but that the number of applications by the unions increased in the late 1950s. Similarly the number of orders applied for by the employers increased in the 1960s. However one cannot ascertain from these data whether the orders in question were General Principal Orders (national agreements, that is) applied for by the Federations and the Port Employers Association, or merely Principal Orders (relating to specific ports, companies or sites) applied for by port unions or individual employers. Nor can the extent to which unresolved issues in national negotiations were referred by either the employers or the unions to the Tribunal be determined. But by using WIC Annual Reports and archival records, it is possible to reconstruct year-by-year how each General Principal Order was settled.

A detailed examination of this nature reveals that the manner in which *national* agreements were settled was subject to some variation during this period. Significantly, in the late 1950s the Federations did not strictly adhere to a policy of not submitting claims to the Tribunal. However, by the early 1960s their attitudes towards the Tribunal had once again hardened, which manifested itself in their approach to negotiations during the remainder of the decade. Because of the time-

[26] This means that the unions and employers fully agreed to the provisions of the Principal Orders in conciliation proceedings, and that Tribunal was not required to rule on them.

period involved, and the shifting patterns within it, I will deal with these issues in two periods: 1953-61 and 1962-70.

(4.1) 1953-1961

(4.1.1) National Bargaining: General Principal Orders

Negotiations for new national agreements (General Principal Orders) were carried out through a specially constituted National Conciliation Committee (NCC), which was charged solely with a conciliation function with respect to collective bargaining. Each NCC comprised eight employers representatives and eight union representatives (in practice, four from each Federation) and an independent Chairman. The NCC was convened only while negotiations for a new agreement were being carried out and would then be disbanded following the settlement of the agreement. A new NCC would then be convened in the next round of 'summit bargaining'. However in 1964 an amendment to the Waterfront Industry Act provided for a National Conciliation Committee to be appointed by the Minister of Labour for a period of up to two years.

The first General Principal Order (GPO 24) was fully agreed upon by the Federations and the PEA in conciliation proceedings, and was established by the Tribunal via an 'Application By Consent' in 1953.[27] Roth (1993:159) points out that this was, in the history of industrial relations on the waterfront, "the first time ever that complete agreement was reached in conciliation." This was at least partly (if not largely) the result of a conscious strategy on the part of the Federations to negotiate a full agreement and not to submit any claims to the Tribunal. South Island Federation President Weith commented that, during the negotiations for this Order, "many times we were discouraged, but the thought of

[27] As I noted in Chapter 4, the first GPO made following the establishment of the 1953 Waterfront Industry Act was registered as GPO 24 because prior to it being settled the Tribunal had issued a number of Principal Orders relating to conditions at specific ports. The GPOs were numbered consecutively in accordance with the Principal Orders issued by the Tribunal. Thus the next GPO was Number 70.

going back to the Tribunal spurred the Federation representatives on to greater efforts."[28]

The desire not to submit claims to the Tribunal, coupled with having to abide by the legal constraints imposed by conciliation and arbitration, resulted in the Federations representatives losing some ground on conditions of work. In his history of the Auckland Union, Roth argues that:

> The union negotiators made concessions on major issues, such as mobility of labour, the wet and windy weather clause and work in meal hours. They gained no increase in the basic hourly rate . . . but an increase in the guaranteed weekly minimum payment . . . some changes in allowance rates, and an 'equity payment' of an extra 3d an hour for accepting 'the modification of clauses previously existing which may have restricted the efficiency of the industry'. This payment was subject however to good behaviour: the port employers retained the right to withhold it in any week as punishment for a stoppage or failure to comply with the terms of the order (1993:159).

It must be emphasized, however, that the unions were negotiating from a position of considerable weakness in the wake of the 1951 dispute. At the South Island Federation's Annual Conference in 1953, General Secretary Jim Roberts commented with respect to the 'bargaining power' of the unions in these negotiations, that: "All the Unions had been well defeated two years previous. Many were only struggling to regain their former influence."[29] It will be recalled that the events of 1951 which formed the backdrop to these negotiations included the deregistration of the national union, the formation of 'new' unions and the exclusion of active unionists, together with the loss of joint control over recruitment. Although some measure of national unity had been achieved through the 'Joint Council' of the two Federations, I have in previous sections

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[28] Minutes of the South Island Waterside Workers Federation Annual Conference 25/11/53. New Zealand Waterfront Workers Union Records, 92-305, Box 1/13 (Alexander Turnbull Library, NLNZ).
[29] Ibid.

demonstrated the fragile nature of this unity. The Port Employers Association, on the other hand entered these negotiations having won - with considerable assistance from the state - what still rates as the most significant victory by employers in the whole of the postwar period.

The fragility both of the unity of the Federations and the national agreement was clearly illustrated by the fact that the (albeit small) Picton Union was not party to it. In the early 1950s, problems occurred in securing the adherence of all local unions to the Federations' policies regarding the negotiation of local agreements. For example, in 1953 the Picton Union negotiated an agreement with the local employers without the authority of the national executive of the South Island Federation. General Secretary Roberts criticized the Union for this action:

> affiliations [sic] should remember that while they were affiliated to the South Island Federation they should remain loyal and cooperate with the Federation by at least having an officer present at the meeting when an important agreement was being made.[30]

The Picton Union subsequently withdrew from the South Island Federation. Although the union subsequently rejoined the Federation in 1959, it was not party to a GPO until 1964.[31]

A similar attitude on the part of the Federations toward the Tribunal was evident in the negotiations for the second GPO which was negotiated in 1955. Prior to the negotiations through the National Conciliation Committee for this agreement, South Island Federation General Secretary Roberts sought and secured agreement from the Federation "that everything possible be done to obtain a complete

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[30] Ibid.

[31] A former Federation executive member explained to me that the Picton Union had been allowed to rejoin the Federation in order to bring it back into the fold, but that the Federations did not want to force the issue of the union becoming party to the GPO (interview).

agreement without recourse to the WIT".[32] And, as the 1956 WIC Report notes, "a substantial measure of agreement was reached" with the Port Employers Association (1956:6). Nonetheless, there were two significant 'matters in dispute' that were submitted to the Tribunal by the Federations: a claim for an increase in the hourly rate of pay (of 9d. per hour) and the introduction of a superannuation scheme. Although the Tribunal refused to "impose on the industry a subsidized superannuation or pension scheme", it did award a 3d. per hour increase in the basic rate of pay (ibid:6).

It is apparent that the attitudes of the Federations' officials towards the Tribunal ebbed and flowed to a certain degree, depending on the recent decisions which it had handed down. In the late 1950s, buoyed by some favourable decisions, the Federations submitted an increasing number of claims arising out of attempts to negotiate new General Principal Orders.[33] It should also be noted that this coincided with the period (1957-60) in which there were no applications for Principal Orders by the PEA, and in which the employers regarded the Tribunal as having ruled in favour of the unions. The 1957 PEA Report contained the comment that "we have felt that there is a tendency on the part of the Tribunal to make some concessions to the Unions in major claims" which, it claimed, resulted in the Federations exaggerating their claims in the hope of gaining something.[34]

During negotiations for GPO 109 in 1957, the Federations were able to secure agreement with the PEA on some major issues, the most significant of which was the decision to establish a jointly funded superannuation scheme (the 'Endowment

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[32] Minutes of South Island Waterside Workers Federation Executive Meeting, Lyttelton, 20/7/54. New Zealand Waterfront Workers Union Records, 92-305, Box 1/12 (Alexander Turnbull Library, NLNZ).

[33] It should be noted that this development is not altogether apparent in Graph 5.1 because, as I noted previously, applications relating specifically to General Principal Orders cannot be distinguished from applications for Principal Orders.

[34] PEA Annual Report (1957:3). Port Employers Association Records, 89-395, Box 129 (Alexander Turnbull Library, NLNZ).

Assurance Scheme').[35] However a number of matters in dispute, relating primarily to rates of pay, were referred by the Federations to the Tribunal. The upshot of this application was that the Tribunal granted increases in daily and weekly minimum payments, meal money and the special rate for freezer work (WIC Report 1958:7). Indeed, General Secretary Napier remarked at the North Island Federation's Biennial Conference in 1958 that "the General Order applications . . . are far in advance of what we were able to gain direct from the Employers".[36] This indicates that the Federations were prepared to make pragmatic use of the Tribunal when they thought it was likely to return favourable rulings. However, that this approach did not extend to *reliance upon* the Tribunal was graphically illustrated by the fact that the following year industrial action was used (for the first time since 1951) to secure an increase in the hourly rate of pay.

Although the Tribunal had increased a number of rates in GPO 109, it had not increased the basic hourly rate of pay, which remained at the level set in 1955 under GPO 70. The Tribunal did, however, add the provision that the rate could be reviewed after twelve months. Consequently, in 1959 the Federations sought from the PEA an increase in the hourly rate through the mechanisms of conciliation. The refusal of the employers to grant this increase resulted in stoppages by the unions at six North Island ports which comprised the main members of the more militant North Island Federation. The centers of the action were the ports of Auckland and Wellington which, along with Mount Maunganui and Tauranga stopped for two full working days, but included the ports of New Plymouth and Whangarei which each stopped for one day.

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[35] The account of these negotiations is based on information provided in Waterfront Industry Commission's annual report for 1958.

[36] Minutes of North Island Waterfront Workers Industrial Association Biennial Conference, 18/11/58. New Zealand Waterfront Workers Union Records, 92-305, Box 3/16 (Alexander Turnbull Library, NLNZ).

This action was significant for a number of reasons. It was the first time any of the port unions had acted in concert in this manner in relation to a dispute since the passing of the Waterfront Industry Act 1953. Moreover, it was the first time unions had used industrial action in a 'dispute of interest' (a dispute related to *bargaining*, that is) during this period. In effect, this action contravened the legal restrictions on the right to strike during the course of an agreement, thereby taking the unions outside of the legal constraints established by the Waterfront Industry Act, namely "the written undertakings given by all registered waterside workers to accept the principle of conciliation and arbitration in the settlement of disputes" (WIC Report 1961:7). Although the Federations did apply to the Tribunal in the wake of this dispute for an increase in the hourly rate, which was granted, the Tribunal censured the unions involved:

> We think it our duty to express our grave disapproval of the conduct of the unions which participated in these flagrant breaches of Principal Order 109 . . . We are glad to note that no union affiliated with the South Island Federation was involved in the stoppage.[37]

The significance of this action for the unions involved was, however, more than that of securing a wage increase. There was also a sense of 'testing the waters', as is indicated in a comment by the North Island Federation President, Eddie Isbey, at its biennial conference in 1960:

> In this action which was the first of its kind since 1951, although in the main successful, certain weaknesses were revealed from which it is hoped we all learned, but these weaknesses were understandable in a young organization just learning to flex its muscles.[38]

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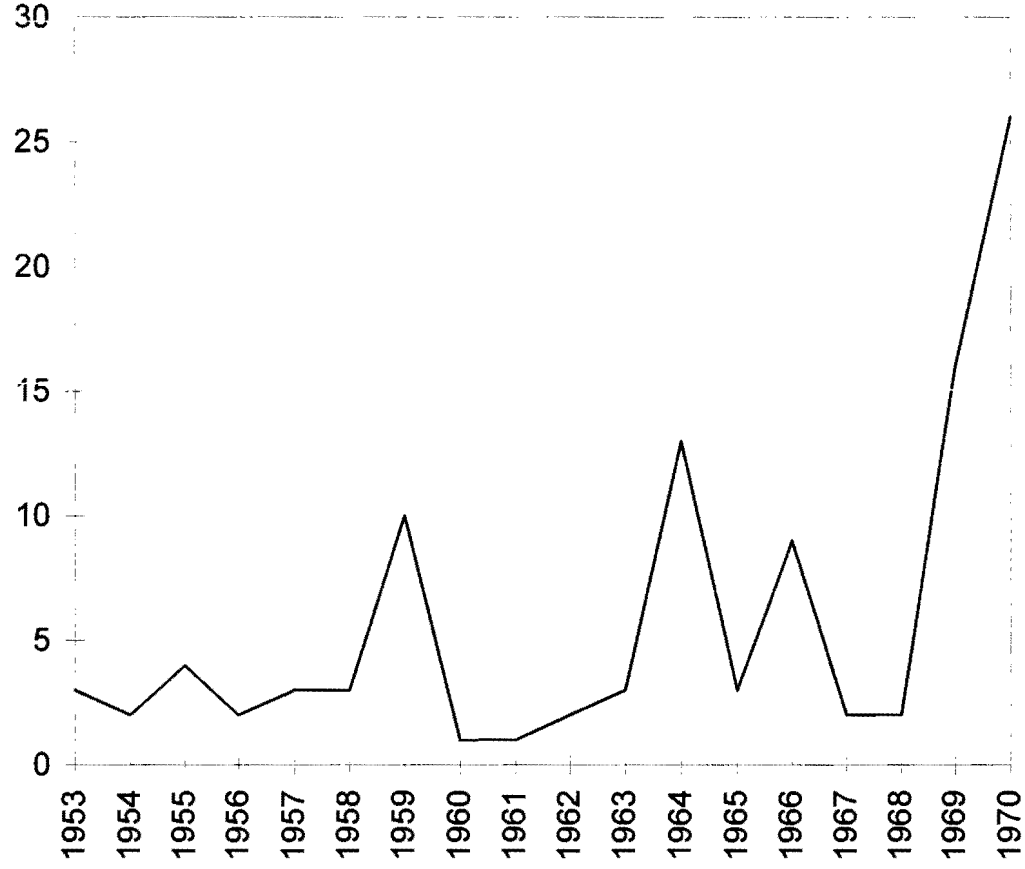
[37] WIC Report (1970:8).

[38] Minutes of North Island Waterfront Workers' Industrial Association Biennial Conference, 15/11/60. New Zealand Waterfront Workers Union Records, 92-305, Box 3/17 (Alexander Turnbull Library, NLNZ).

Graph 5.2 Number of Stoppages 1953-70



Prior to this latter dispute, stoppages had been largely limited to unauthorized stop-work meetings and unauthorized extensions of such meetings. Graph 5.2 shows that the level of stoppages was very low during this period. Indeed, the 1959 PEA Annual Report states that:

> The direct relationship between employers and union officials, on a national basis, and at most ports, continues to be reasonably good but it is at Auckland and Wellington in particular - where direct action has crept in - that the absence of cooperation is most marked.[39]

The militancy of the ports in the North Island Federation was recognized in the 1958 PEA Annual Report which stated that the South Island Federation "has proved a moderate and stabilizing force."[40] It is also significant in that the former organization gradually took the lead in national bargaining (particularly after the secession of the Lyttelton and Port Chalmers union in the 1960s). Roth (1993:162) demonstrates that a certain section of the Auckland Union had advocated direct action right from 1953, and that there had been a number of incidents where the Union had itself 'tested the waters', including discussion of a port-wide strike in 1954. And as early as 1956 the PEA noted that the Wellington Union was "exploiting every possible technicality during a period of non-cooperation."[41] This trend had been recognized in the 1957 PEA Report which stated:

> It is . . . clearly in the interests of the Employers that the control of the waterfront workers' organizations should be kept on its present basis and not allowed to drift into the hands of the more militant element . . . in the North Island.[42]

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[39] PEA Annual Report (1959:15). Port Employers Association Records, 89-395, Box 129 (Alexander Turnbull Library, NLNZ).
[40] Ibid (1959:6).
[41] PEA Annual Report (1957:3). Port Employers Association Records, 89-395, Box 129 (Alexander Turnbull Library, NLNZ).
[42] Ibid (1957:5).

However industrial action was not limited to unions in the North Island. For example, after holding a secret ballot, watersiders at the Port of Bluff stopped work in 1957 to attend a rugby match between Fiji and the Southland provincial team (WIC Report 1958:6). Undoubtedly this stoppage can partly be explained in terms of the importance of rugby within New Zealand (see Phillips 1984; Fougere 1990). Even the Commission noted that the stoppage was "understandable in view of the enthusiasm of Southland rugby supporters to see a popular overseas visiting team" (WIC Report 1958:6). But it can also be regarded as an (albeit limited) expression of the degree of control that the unions were once again beginning to assert on the waterfront. Another such example was a stoppage which occurred on a vessel at Lyttelton in 1960 over a three minute difference between the watch of the hatchman and that of the foreman. This stoppage prompted the Tribunal to comment: "It is to be regretted that a Union with so good a record as the Lyttelton Union should in this instance have chosen to act so precipitously and to rely on direct action."[43]

The efficacy of both strike action and the threat of such action relates to the fact, which is acknowledged in studies internationally (Turnbull, Woolfson and Kelly 1992; Kimeldorf 1988; Finlay 1988), that ships' time in port is the most critical cost to shipping companies. As Turnbull et al. (1994:5) succinctly put it, "even if the ship's cargo is not perishable, the ship's time in port certainly is." This, in turn, confers a considerable advantage in bargaining to waterfront unions that are realistically able to threaten and to actually effect work stoppages. A former Waterfront Industry Commission Branch Manager, who witnessed many disputes in his 38 years on the waterfront, confirmed this effect in an interview:

> the only thing that a company wants is for their ship to be discharged and loaded and out to sea. So when it comes to a

[43] WIT Decision 281, 30/6/60. Waterfront Industry Commission Records, W3472, Box 55 (National Archives).

> dispute, and the employer quite rightly takes a stand when some things get out of hand, and if they [the watersiders] knock off work it then comes to the stage that the costs take over and they [the employers] have to back down. And this was the weapon that the watersiders had all this time. If its going to cost you so may thousand per day, and there's no work being done, it becomes colossal. . . . Its not just easy for a shipping company to stand up to the watersiders. They can always do it collectively if its your ship and you haven't got a ship in port. Everybody was always very firm as long as they haven't got a ship in port. (Interview)

Although the PEA sought to keep the unions within the legal constraints of the system, and usually withheld the 3d per hour 'equity pay' during stoppages, such pressures rendered it difficult for individual employers to maintain their resolve in the face of direct action. Although in the next round of national negotiations, the unions did not engage in such action, in the period from 1962-70 this type of activity became more common.

Following the expiry of the GPO 109 in January 1960, and undoubtedly buoyed by the favourable decisions handed down by the Tribunal in the previous round of negotiations, the Federations made applications for a new General Principal Order (which was subsequently granted in May 1960 as GPO 156). Once again, this resulted in some very favourable results accruing to the unions. These results were significant to the point that the Waterfront Industry Commission, in its annual report, made the following statement:

> The Tribunal increased the ordinary time rate of pay to 6s. 9d. per hour, granted full incorporation in contract rates of the 24 per cent wage increase made from 4 January 1960 and improved other conditions of employment. The total benefits granted to the workers under the new general principal order were estimated to cost £346,000 per annum or £1 1s. per man per week (WIC Report 1961:7).

At the South Federation conference later in 1960 a number of favourable comments were made by members of the executive about this ruling, and the

general consensus among the unions in both Federations was that the Tribunal's decision was favourable.

It must be noted, however, that these results cannot be totally separated from the broader industrial relations 'climate', insofar as the 24% increase mentioned in the quotation relates to a General Wage Order. This was the result of a 'flow on' effect of the centralized wage-fixing system which existed in New Zealand in this period. These orders were periodically handed down by the Arbitration Court between 1922 and 1970 (Walsh 1993:177). Typically, the FOL applied to the Arbitration Court for a General Wage Order, in what Bremer (1993:123-4) describes as the "annual ritual of General Wage Order hearings in the 1950s and 1960s." Although the waterside workers were under the jurisdiction not of the Arbitration Court but rather the Waterfront Industry Tribunal, they too received the equivalent of GWOs for, as Roth (1974:145) points out, "these orders are usually extended to workers outside the Court's jurisdiction."[44] Numerous Principal Orders incorporating such in increases in the GPO were issued by the Tribunal during this period. Similarly, the Federations often held over wage-claims, in order to wait for a GWO negotiated by the Federation of Labour.

Despite the gains achieved by the unions in the late 1950s, by the early 1960s the enthusiasm displayed by the Federations' officials for the decisions of the Tribunal had largely evaporated. The anti-arbitrationist sentiment was once again evident as the unions confronted the legal constraints of the system, but this time they did so with an increased degree of organizational unity. I will deal with these developments in a subsequent section, but for the moment I will shift to examine the process of local bargaining.

[44] These orders ceased in 1970 as a result of the passage of the General Wage Orders Act 1969 and the Industrial Conciliation and Arbitration Amendment Act 1970, which fundamentally altered the centralized wage-fixing system (Walsh 1993:177).

(4.1.2) Local bargaining: Supplementary Principal Orders and Principal Orders

As I noted earlier in this chapter, the practice of industrial relations on the waterfront was both centralized and decentralized, and the tension and shifting balance between these tendencies were manifested intra-organizationally (within the Federations and the Port Employers Association) and were expressed in the patterns of bargaining which resulted. The national document could never encompass all of the local differences at the port level, if for no other reason than the different circumstances of each port. As a former North Island Federation official noted,

> What they primarily concerned themselves with, was local conditions which applied at that particular port. . . . Its no good writing something into an order that would apply to every port when in fact it could only have application to one or two. . . . Some ports had ropemen, others never. So that went into a local order for that particular port. (Interview)

The example provided, that of ropemen, were only employed at 'railway ports' (see Chapter 3). But the 'local conditions' related not only to the 'technical' features of ports, but also the 'custom and practice' of each port. Different workplace practices evolved at ports over time in the context of different constituencies of employers and the character of local port unions. Although, as I will demonstrate, not all such practices were incorporated in an Supplementary Principal Order or a Principal Order, some undoubtedly were.

In the case of Supplementary Principal Orders, the tension between centralization and decentralization manifested itself in the extent to which the system was driven 'from above' (by the Federations and the PEA) or from below (by the port unions and the local employers). This tension hinges on the extent to which the national organizations *controlled* collective bargaining at this level, or to put it differently, on the extent to which this was an externalized system in the sense of local unions

and employers delegating their responsibilities in bargaining to the national organization. These relationships were registered in the importance of the SPO relative to the GPO, and extent to which this relationship changed through time, particularly at ports (such as Auckland) where the larger, more powerful unions had the bargaining power to negotiate independent of their Federation.

It appears, however, that a 'stable balance' between bargaining at the national and local level did develop in the 1950s. During the ten years from 1955 until 1965 a pattern emerged whereby the Federations and Port Employers Association took the lead in negotiating Supplementary Principal Orders. This was particularly so with respect to the Federations. Apart from early dissenters like the Picton Union, during this period the local unions took their lead in bargaining from the national organization and local conditions were negotiated under the 'umbrella' of the national agreement. This pattern was consolidated as the North Island Federation began to take the lead both in national and local bargaining.

During this period, the GPO typically would be used as the platform upon which the local port unions, with the assistance of their respective Federation, negotiated with the local branch of the PEA on issues specific to the port. After each GPO was negotiated, the Supplementary Principal Order at each port would then be negotiated. Typically, the local unions submitted claims to their respective Federations, which then compiled the claims and submitted them to the national Port Employers Association. An application was then made to the Chairman of the local Port Conciliation Committee who convened a date for conciliation proceedings to begin. Each of the Federations had a 'negotiating committee' which travelled to the various ports, along with national representatives of the PEA. The national representatives of the PEA and the Federations would then negotiate in concert with the local unions and employers. Ted Thompson, who as

a representative of the North Island Federation was involved in these negotiations during the 1960s, offered in an interview the following personal reflection:

> They [the SPOs] were negotiated by the national federation. . . . But you'd have meetings first at the local port, and they would come into the negotiations. You'd go round the ports. And on many occasions, we might quite often even travel in the same rental car, the employers and ourselves. You had a job to do, and while we were sworn enemies on a business and industrial basis, that wasn't so in your private life. (Interview)

This set of arrangements meant that both the Federation officials and the national PEA representatives were in a position to at least monitor the negotiations for agreements at all of the ports, and undoubtedly to have some control over what was sought and / or conceded. It also evidences considerable cooperation at the national level between the PEA and the Federations.

The SPOs that were negotiated in the wake of GPO 24 in 1953 included a diverse range of provisions. The larger ports, such as Auckland and Wellington, had more extensive provisions (including hours of labour engagement, travelling time, gang strengths over and above the minimum set in the GPO, sling load weights and so forth). Indeed, as Roth (1993:159) points out, the Auckland Union was able to retrieve some conditions which were lost at the national level (significantly, the rights to refuse to work after 6pm and to refuse a transfer to another job after working continuously for seven days). However, the SPOs of the smaller ports (such as Nelson and Bluff) had only a few clauses. But, over time, the SPOs at many ports (particularly the larger ones) evolved into more detailed documents. It is important to note that in the case of conflicts with provisions in the GPO, the Supplementary Principal Order had priority.

The manner in which negotiations over SPOs were conducted tended to follow the pattern established in national bargaining. For instance, the SPOs negotiated in the wake of GPO 24, like this latter agreement, were all established 'By Consent'. At various other times, however, matters which could not be agreed upon were submitted to the Tribunal.[45] This is particularly so, given that the Federations sought to limit the freedom of port unions to submit claims to the Tribunal (as in the case of disputes, which was discussed in the section on union strategy). The overall pattern, however, reflected the fact that, as I noted above, the majority of Principal Orders were made through 'Applications By Consent'. This, in turn, reflects the fact that apart from a brief period in the late 1950s, the attitude of the national officials towards the Tribunal was one of hostility.

The preceding discussion suggests that in the negotiation of port agreements there emerged during the 1950s an element of centralization, which in turn was based on 'externalization' (the delegation of responsibility to the national organizations). The GPO formed the 'mainstay' of the bargaining process, and the SPOs were negotiated after them by the respective national organizations. Although the claims were submitted from the port unions, and counterclaims were undoubtedly submitted by local employers, negotiations were conducted by national representatives of each organization. In the case of the Federations at least, as the case of the Picton Union demonstrates, this was not just the unions relying on the expertise and organizational capacities of the Federation; rather the Federations actively sought to be involved in such negotiations.

This arrangement would tend to support the arguments about the centralizing tendencies of arbitration systems. It must, however, be reiterated that this pattern was a contingent development, and not inevitable, particularly given unions which

[45] Supplementary Principal Orders, like the General Principal Order, were generally renegotiated biennially.

were 'embedded' at the port level, some of which had substantially different outlook and character. As I demonstrated in the discussion of union politics in Chapter 3, there was a divergence between the stronger and more militant North Island unions (such as Wellington and Auckland), and the smaller and more conservative South Island unions (such as Picton and Oamaru). Although the Port Employers Association during this period was a much more unified 'bloc', it too comprised different interests. Thus any such centralizing tendencies were refracted through the organizations themselves, and this stable balance was based upon the employers, but more importantly the Federations achieving a measure of organizational unity at the national level. This stable balance was subsequently to falter in 1970, when the unions at Auckland and Wellington refused to ratify a national agreement.

But even during this period of the 'stable balance', with respect to the role of the national organizations in the negotiation of Orders at the port level, there was another level at which agreements could be made between unions and employers: one-off agreements made via Principal Orders which the national organizations were not necessarily involved in. As was the case with GPOs and SPOs, such agreements could either be made by 'Applications By Consent' to Tribunal, or by one of the parties seeking a ruling in the case of a dispute. In some cases these were the equivalent of 'site agreements', relating to only a particular issue such as employers' incentive schemes, particular cargoes, new technology and so forth.[46]

[46] For example, in 1957 the Tauranga Union applied to the Tribunal for, and was granted, a Principal Order (Number 107) fixing maximum sling loads of paper pulp and minimum gang strengths for this cargo (WIT Decision 163, 10/6/57). Similarly the Tauranga Union and Mount Maunganui and Tauranga Stevedores (a stevedoring company) applied by consent to the Tribunal in 1958 for an order (which was subsequently granted as Principal Order 115) to prescribe contract rates and conditions for the discharge of bulk sulphur (WIT Decision 185, 15/4/58). There are numerous examples of such agreements in the Waterfront Industry Tribunal records. Waterfront Industry Commission Records, W3472, Box 55 (National Archives).

To reiterate, any union and any employer could enter into negotiations, and then apply to the Tribunal for a Principal Order.[47] Although there was nothing to prevent the involvement of the national organizations, procedurally they were *not required* to be involved in these negotiations. On the side of labour, individual port unions had the right to negotiate and apply for Principal Orders. To be sure, this still involved an element of 'externalization' (albeit at a lower level than the Federations) in that the actor was the local port union rather than the gangs or the watersiders themselves. It will be recalled from the discussion of employment relations in Chapter 4 that the unions were similarly empowered with respect to agreements over the labour supply (specifically, in the negotiation of register strengths and bureau rules).

In the case of the employers, however, as well as the Port Employers Association, *individual firms* were formally constituted as actors in industrial relations at the local level. In the sphere of industrial relations, as opposed to employment relations, the order was therefore reversed. In employment relations individual firms were displaced as actors because the legally constituted occupational registration system forced competing firms to cooperate and to 'externalize' decisions over the supply of labour (regarding recruitment, register strengths and bureau rules) to the local branch of the Port Employers Association. Consequently, individual employers could only exert influence in this sphere organizationally, by lobbying and seeking to affect the decisions and policy of the local PEA. Conversely, in the sphere of industrial relations individual employers were legally empowered to negotiate with the local union and either secure agreement or apply to the Tribunal for a Principal Order, courses of action which

[47] To be sure, the Federations and the Port Employers Association often applied to the Tribunal (either by consent or to get a ruling) for Principal Orders that related to all ports. Examples include Principal Orders that amended the GPO during its course to incorporate General Wage Orders. But the point is that the port unions and individual employers also were able to make such agreements.

the PEA could only try to control through *organizational* means (by not supporting them, that is).

Thus, while competing firms had to cooperate with respect to issues of labour supply, in the sphere of industrial relations individual firms could seek agreements with the union, and often did so in attempting to gain a competitive edge. For instance, in 1961 the Inter-Island Shipping Company at Wellington sought the national Port Employers Association's support in applying to the Tribunal for an Order to allow for the use of a permanent gang. In this case, the Wellington Branch of the Port Employers Association did not agree, and the PEA Management Committee declined this request on the grounds that it could provoke 'industrial unrest'. Furthermore, the Committee directed the local PEA to try to convince the Company not to make such an application to the Tribunal, but that if it did so, the Association would not support it and would not make any resources available or represent the Company at the Tribunal hearing.[48] This is a clear example of the point I made above: the PEA trying to limit by organizational means (which were the only means available to them) the right of individual employers to make application to the Tribunal for Principal Orders.

For the national organizations, however, the considerable potential for decentralized bargaining and agreements at the level of ports and companies was both a constraint and a resource. It was a constraint, as I have noted, because local unions and employers could themselves apply for such orders (as evidenced by the case of the Picton Union and the preceding example of permanent gangs) without the involvement of the national organization. But it could also be a resource because the national organizations could, with the cooperation of their member organizations, apply at the local port level for conditions which then would

[48] Minutes of PEA Management Committee Meeting 298, 16/9/61. Port Employers Association Records, 89-395, Box 202 (Alexander Turnbull Library, NLNZ).

establish precedents that would enable similar conditions to be sought at other ports. For example, in 1960 the Port Employers Association attempted (albeit unsuccessfully) to change the basis of cooperative contracts (incentive contracts administered by the Commission, that is) at the Port of Lyttelton, in order to take this to the Tribunal as the basis for changing the cooperative contracting system nationally.[49] Similarly, the Federations frequently sought to extend favourable decisions of the Tribunal obtained by individual port unions, and in a number of cases relating to new technology did so successfully (see Chapter 7).

But, once again, favourable agreements at a particular port were not only sought to be extended by the Federations. Principal Orders were also the means by which local unions often sought to get the conditions which applied at other ports. In 1961, the Lyttelton Union attempted to gain a Principal Order giving it the reduced hours which were worked at Bluff.[50] The Tribunal, in issuing its decision, remarked that

> It is . . . a weakness in the Lyttelton Union's case that so far as we are aware there has been no general demand for a similar change in other ports, or made by the North Island or South Island Federations of Waterfront Unions.[51]

Yet, on the other hand, a union could enter into agreements which compromised other port unions by settling for substandard wages or conditions on matters which were not covered by the GPO. For instance, the Mount Maunganui Union entered into such an agreement in 1964 with a company over the loading of logs for export, and the company then sought to insist that similar conditions applied at

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[49] Minutes of South Island Waterside Workers Federation Biennial Conference, 2/12/60. New Zealand Waterfront Workers Union Records, 92-305, Box 1/14 (Alexander Turnbull Library, NLNZ).

[50] An agreement had been reached at Bluff in 1956 whereby the standard 11 hour day had been reduced to 10 hours.

[51] WIT Decision 356, 18/12/61. Waterfront Industry Commission Records, W3472, Box 55 (National Archives).

Lyttelton.[52] Norris (1980:196) maintains that the "Mount Maunganui watersiders had placed the rest of the country's waterfront workers in a very embarrassing position by agreeing to work under such a backward agreement."

Given that the 1953 Act allowed different 'corporate' actors access to the same 'legal machinery', whether the constraining or enabling elements of this system came into play depended on the organizational unity and capacities of the unions and employers at a national level. As in the case of SPOs, it appears that with respect to the negotiation of Principal Orders something of a 'stable balance' existed. The Federations sought to ensure that the local unions informed them of all matters submitted to the Tribunal. The PEA exerted a similar sort of organizational pressure (as evidenced by the case of the company seeking a permanent gang), and a number of Principal Orders were applied for by the PEA *on behalf* of companies, which implies support for what the companies were seeking. Furthermore, union and employer records indicate that there was a considerable degree of cooperation within, but also *between* their respective national organizations during this period regarding the manner in which bargaining took place. And an upsurge in the numbers of principal orders, in the form of company-union agreements, did not occur until the onset of containerization in the 1970s (see Chapter 11).

It would be a mistake however to believe that, even under a legalistic, state-regulated system, all practices which could potentially be codified were in fact codified - many were not. Of course, it would be equally wrong to believe that all practices can in fact be codified in the first place. This latter point anticipates an argument which will be developed more fully in the following chapter on work relations. Drawing on the classic study by Baldamus (1961), I will subsequently

[52] This agreement is mentioned by Baden Norris in his history of the Lyttelton Union. "This document", he writes, "allowed the employers to work 24 hours a day, reduce gangs strength from eight to six and only two men [were] employed on the shore" (Norris 1980:196).

argue that employment contracts are by their very nature 'incomplete' or 'open-ended', particularly in an industry like the waterfront which is characterized by high levels of 'process uncertainty', which in effect means that work cannot be Taylorized (see Kelly 1978). As Edwards (1989:189) argues, "the conventional distinction between formal and informal rules" is not particularly useful because it

> assume[s] a complete and unambiguous set of formal or official rules against which informal practices can be measured. But the employment contract cannot be specified so precisely, for its essential characteristic is that workers' creative capacities are being deployed: it is impossible to specify a complete set of formal rules . . . .

Drawing on Baldamus and Edwards, I will argue that it is this contractual indeterminacy which results in on-the-job negotiations over the terms of the wage-effort bargain.

However for the moment I will restrict myself to the practices which could *potentially* be codified but, for some reason or other, were not (for instance, actual gang strengths on certain jobs over and above the minimum set by the GPO). These practices, which were usually specific to particular ports as 'local practices', blur the boundaries of the formal and the informal. They were not of the order of completely informal practices, some of which (such as 'spelling') actually contravened the GPO. Indeed some of these practices were actually sanctioned and agreed to by the local Port Conciliation Committee, but they were not formally codified in legally-enforcable Principal Orders. The examples I will provide have been drawn from cases submitted to the Waterfront Industry Tribunal. It was during disputes that these local practices, bargains, and deals usually came to light and, after being ruled on by the Tribunal, often became formally recognized and codified.

The first example came to light during a dispute at the Port of Lyttelton in 1955 over the number of 'truck men' per gang on flat-top trucks (as opposed to tip-trucks) while loading bales of wool. In its decision, the Tribunal made the following statement:

> We are informed that the number of men to be employed in various capacities on the Lyttelton waterfront has in the past been governed by custom, subject always to the provisions of [General] Principal Order 24, and that there is no written 'manning scale' and none has been sought from the Tribunal. It would appear, therefore, that differences as to manning have in the past been settled between the parties, or by the Port Conciliation Committee.[53]

The Tribunal refused in this case to specify the number of men that should be employed. In this case, the informal agreement was underpinned by the minimum conditions established in the GPO. And, although the SPOs had priority over the GPO, 'local practices' as such could not conflict with the national agreement. This is evidenced in a decision made by the Tribunal in 1961, following a dispute being referred to it by the Gisborne PCC. The Tribunal stated "Where the GPO makes provision for a matter in clear terms a contrary local practice cannot prevail against the terms of the Order."[54] But, as the next example demonstrates, some informal agreements related to complex situations not specified in the Order.

In this case, a dispute relating to the manning scale on a particular vessel loading cargo for overseas destinations occurred at the Port of Auckland in 1962. The company in question deployed 12 man gangs in each of the two holds loading goods for overseas, but only six in another hold loading cargo which had been shipped to Auckland by another overseas vessel. The Port Conciliation Committee ruled that the company had to employ a 12 man gang in this hold as

[53] WIT Decision 101, 29/4/55. Waterfront Industry Commission Records, W3472, Box 55 (National Archives).
[54] WIT Decision 349, 17/10/61. Waterfront Industry Commission Records, W3472, Box 55 (National Archives).

well, and the PEA appealed this decision to the Tribunal. This somewhat complex situation was not provided for in any Order, and in rendering its decision (against the appeal) the Tribunal stated: "The real question we have to consider is how many men are customarily employed in Auckland in circumstances such as these."[55] In this case, the Tribunal based its decision on the customary practice. There are numerous other cases where the Tribunal, in making its decisions, sought to ascertain what the local practice had been. This was also the approach taken by Port Conciliation Committees. For instance, in a dispute at Wellington over the number of gangs required in a ship's hold when cargo was being discharged by two sets of ship's gear, the PCC Chairman noted: "In the absence of any specific provision in the Order covering this method of working, I endeavoured to determine what [the] port practice had been."[56]

Although the Tribunal and the PCCs took into account local port 'custom and practice' in making decisions, such practices were not afforded the status of binding agreements. Nonetheless, sometimes either side attempted to afford 'informal practices' the status of formal agreements. In this sense, elements of the formal and the informal could be used in different ways, in a manner which is succinctly expressed by Edwards:

> The rules cannot, by definition, establish precise levels of performance. All that they can do is try to lay down the broad principles to be applied. They constitute resources which either side can use in struggles over the effort bargain. It is not a matter of managerial formality and worker informality but of a continuing struggle in which elements of the formal and the informal are necessarily intertwined, for formal requirements cannot cover every eventuality (1986:81).

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[55] WIT Decision 357, 7/3/62. Waterfront Industry Commission Records, W3472, Box 55 (National Archives).

[56] The PCC Chairman's decision was subsequently appealed to the Tribunal, and this statement is recorded in WIT Decision 146, 27/9/56. Waterfront Industry Commission Records, W3472, Box 55 (National Archives).

What should be taken from this quotation is not so much the comment on the effort-bargain (which will be taken up in the next chapter), but rather the notion of rules as 'resources' and the intertwining of the formal and the informal. Either side could invoke 'the rules', but because of the necessary limitations of rules the parties often made informal agreements which were not codified. But, equally, sometimes one side tried to recast these 'informal practices' as 'rules'; i.e. tried to elevate informal agreements to the status of binding agreements.

For instance, in 1961 the Gisborne Union appealed a PCC decision to the Tribunal which related to a local practice that the local employers tried to invoke as a rule. A common work practice at this port was for gangs to commence work at 5:00am for loading frozen produce into a cool store. This was done with the knowledge of the union and the agreement of the men in question, but was not codified in any agreement. In this case the employers tried to force men to undertake this work. The Tribunal made the following ruling:

> There is nothing to prevent the carrying out of the work by voluntary agreement between the parties, but the Employers are not entitled to invoke the supposed practice as a ground for requiring the men to undertake the work.[57]

In this case, the employers were unsuccessful in their attempt to claim informal arrangements as formal ones, but in the last example I will provide a port union succeeded. This example is also interesting in that the Tribunal attempted to distinguish legally between a 'practice' and an 'agreement'.

The dispute in question occurred towards the end of the period under consideration, in 1969, at Port Chalmers. It was, in effect, a 'demarcation dispute' which centered on whether watersider workers or harbour workers should have the

[57] WIT Decision 348, 17/10/61. Waterfront Industry Commission Records, W3472, Box 55 (National Archives).

right to drive tractors owned by the local harbour board used in the 'butting up' of logs. This also supplies an example where a 'local practice' differed substantially between ports. The Tribunal acknowledged the "employment of watersiders by agreement for 'butting up' logs in several ports, though not usually when Harbour Board tractors have been used."[58] However at Port Chalmers a different practice existed. As the Tribunal noted:

> The watersiders' claim arises from a long-standing practice whereby watersiders have been employed to drive Harbour Board tractors at Port Chalmers. The existence of this practice is acknowledged by the Harbour Board and the Harbour Employees Union, who agree that it has been in operation for many years.[59]

The issue was whether this 'practice' should be extended to the work of 'butting up'. The Tribunal, in rendering its decision, attempted to differentiate between a 'practice' and an 'agreement' in order to recast local 'custom and practice' into a form which enabled these arrangements to be made sense of and interpreted within a legal framework:

> Having regard to the acknowledgment by all parties that the practice of employing watersiders to drive tractors at Port Chalmers . . . is to continue, the question arises whether this was a mere practice, or whether it amounted to a binding agreement. A practice may come into being without the approval of all interested parties. An agreement, on the other hand, requires their knowledge and approval, though that approval need not be expressed in a formal manner.[60]

In this particular case, the 'practice' was deemed to be an 'agreement', and the watersiders were given coverage of this type of work.

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[58] WIT Decision 575, 22/8/69. Waterfront Industry Commission Records, W3472, Box 56 (National Archives).
[59] Ibid.
[60] Ibid.

As I have argued, despite the legal regulation of industrial relations, many arrangements at the port level were not in fact codified, instead taking the form of informal agreements. But this latter case supplies an interesting example of how such 'practices' could come to be regarded, interpreted and used within a legalistic system. I am not claiming that the law was 'hegemonic' in automatically overriding or eliminating all elements of the 'informal' from the realm of industrial relations, but rather that informal agreements could be 'reworked' using the legalistic system as a resource. The system was increasingly used in this manner, particularly by the unions in dealing with technological change.

(4.1.3) Summary

At the 1960 South Island Federation Conference General Secretary Jim Roberts remarked, regarding wages and conditions, that: "I am of the opinion that we have made reasonable progress in the last 8 years - more progress than had been made in a quarter of a century prior to 1953."[61] These gains included *inter alia* a jointly funded superannuation scheme, increased ordinary wages and guaranteed payments, increases in cooperative contracting (incentive bonus) rates, increased meal allowances and so on. That not insubstantial improvements in wages and conditions were achieved at a national level during the 1950s is all the more remarkable considering there was not a national organization in existence during this period.

These gains were achieved through a blend of negotiations in conciliation proceedings, submitting 'matters in dispute' to the Tribunal, and a modicum of industrial action by unions in the North Island Federation, characteristic of "a young organization just learning to flex its muscles" (to repeat North Island Federation President Eddie Isbey). Despite the differences between the port

[61] Minutes of South Island Waterside Workers Federation Biennial Conference, 2/12/60. New Zealand Waterfront Workers Union Records, 92-305, Box 1/14 (Alexander Turnbull Library, NLNZ).

unions, and between the two Federations, a considerable measure of national unity had been achieved. The Federations, through their Joint Council, led bargaining both nationally and at the port level. There was also a considerable degree of cooperation with the national PEA with respect to the order in which bargaining took place. Throughout this period, the Federations gradually began to 'claw back' much of what they had lost in 1951. As we shall see, these gains were consolidated during the 1960s.

(4.2) 1962-70

(4.2.1) National Bargaining

Developments in the latter part of this period were overshadowed by technological change, in the form of containerization, and negotiations over a period of two years through a specially constituted national conciliation forum (the Waterfront Conference). The following discussion will present an overview of these developments (which will be dealt with in greater detail in Chapter 7), but I will focus largely upon broad trends in the pattern of bargaining, and the outcomes of bargaining processes. Of particular interest is the tension between centralization and decentralization which manifested itself within the newly formed national Waterside Workers Federation in the late 1960s.

Although I have identified 1962 as something of a 'turning point', negotiations that year for a new GPO (Number 198) were characterized by a similar approach to the previous round of negotiations. A number of issues were settled through negotiations in the National Conciliation Committee, including an increase in the ordinary time hourly rate, a subsidy for each watersider to purchase safety footwear, and the provision of bereavement leave. Several 'matters in dispute' were also submitted to the Tribunal which produced favourable results for the unions, namely increases in equity pay, meal money and guaranteed weekly

payments.[62] Furthermore, in a landmark decision, the Tribunal established wage relativity between watersiders and carpenters.[63] However in the short space of two years, the swing by the Federations was dramatic. One of the reasons for this shift is that, in the intervening period, almost all of the Tribunal's decisions on 'disputes of right' went against the unions.

In the same year as GPO 198 was settled, partly through recourse to the Tribunal, a burgeoning anti-arbitration sentiment was apparent within the Federations. Together with increasing frustration at the legal constraints imposed by the system, this was graphically illustrated in remarks made by the General Secretary of the North Island Federation, Jim Napier, at its 1962 Conference:

> Decision after decision has gone against us. . . . When Harry Holland, the militant leader of the N.Z. Labour Party . . . wrote that the whole of the legal arbitration system imposed on the trade union movement had the effect of leg-ironing labour, never was it more true than when applied to the present day legal stranglehold on the waterfront unions. . . . the sooner we can return to the free atmosphere of collective bargaining when the Trade Union Movement can negotiate as free men, based on their industrial strength, the better.[64]

The extent to which compulsory arbitration was regarded as a constraint is further evident in the following statement by Napier:

> Many difficulties arise from the fact that Waterside Workers are so ham-strung by the law regarding the Tribunal and Port Conciliation Committee Chairmen, a system introduced for the sole purpose of making any industrial action illegal . . . and with the Employers

[62] This discussion of the negotiations for the new GPO is based on the summary presented in the WIC Report for 1963.

[63] This decision was in keeping with the broader framework of occupational wage relativities which existed within New Zealand at that time. During the 1960s, carpenters were a key group of craft workers whose wage settlements established the trend for a number of other occupational groups (see Boston 1984:61).

[64] Minutes of North Island Waterside Workers Association Conference, 20/11/62. New Zealand Waterfront Workers Union Records, 92-305, Box 3/18 (Alexander Turnbull Library, NLNZ).

> happy in the knowledge that they have efficient allies in the combined forces of Tribunals, PCCs and the law.[65]

These statements are of more than passing interest, particularly given that the North Island Federation took the lead industrially during the 1960s. They evince a characteristic unwillingness to submit claims to the Tribunal because of the decisions it had rendered, and a desire to confront employers unfettered by the limitations on the right to take industrial action during the course of bargaining. They also presaged a greater preparedness and capacity to engage in industrial action at the port level.

The anti-arbitrationist attitude expressed in the statements by Jim Napier was, of course, based on achieving a degree of national unity and industrial strength. This was based, in turn, on the port unions being able to 'rebuild' themselves at an organizational level, but in a way that was also conducive to national organization - albeit split between the two Federations. In contrast to the first round of national negotiations (which occurred in 1953) after the waterfront crisis when, to repeat the comment by South Island General Secretary Jim Roberts, most of the port unions were "only struggling to regain their former influence", by the early 1960s unions were well on the way if not to regaining then at least to approximating this influence.

At an organizational level, this process was assisted by the stabilization of labour turnover rates during the 1960s, and the fact that unions at most ports increasingly gained a modicum of informal control over recruitment practices. If the criterion suggested by Jim Roberts is any indication, this resulted in the selection of "men who were good unionists, and good cooperators with the union".[66] A further

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[65] Ibid.

[66] Minutes of the South Island Waterside Workers Federation Conference, 7/12/56. New Zealand Waterfront Workers Union Records, 92-305, Box 1/14 (Alexander Turnbull Library, NLNZ).

Table 5.1 : Strikes By Port 1953-70

Ports	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70
Auckland	2	1	2	-	2	2	2	-	-	-	1	1	-	-	-	-	2	5
Wellington	1	1	1	1	-	-	2	3	-	1	-	5	-	2	1	-	6	7
Lyttelton	-	-	-	1	-	1	1	-	1	1	1	2	-	2	-	-	1	3
Dunedin	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Port Chalmers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Whangarei	-	-	-	-	-	-	1	-	-	-	-	-	1	-	-	-	-	1
Mount Maung.	-	-	-	-	-	-	1	-	-	-	-	1	-	3	-	-	4	4
Gisborne	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Napier	-	-	-	-	-	-	-	-	-	-	-	1	-	1	-	-	1	1
Onehunga	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3
New Plymouth	-	-	-	-	-	-	2	-	-	-	-	-	-	-	-	-	-	-
Wanganui	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nelson	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Picton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Timaru	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Oamaru	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bluff	-	-	1	-	1	-	-	-	-	-	-	1	1	-	1	-	-	-
Westport	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Greymouth	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Taranaki	-	-	-	-	-	-	-	-	-	-	1	2	1	1	-	-	1	2

Source: Waterfront Industry Commission Annual Reports

indication of the growth of 'collectivism' within the port unions is the increasing number of ports where bonus payments were pooled, despite the trenchant opposition of the PEA (see Chapter 6). Furthermore, labour shortages were still in evidence at a number of ports. These conditions strengthened port unions and, despite the legal restrictions on the right to strike, this strength manifested in the increasingly frequent use of direct industrial action at the port level. As Graph 5.2 shows, this trend fluctuated throughout the 1960s, peaking at a total of 26 stoppages in 1970.

Equally, however, this strength and influence of unions at the port level often manifested itself in the form of a 'strike threat', rather than actual industrial action. As Walsh and Fougere (1987:190) germanely remark, "Creating a credible strike threat depends upon the degree to which union members can be mobilized for co-ordinated action that threatens employer interests." It appears that this threat was increasingly deployed by port unions during the 1960s. Indeed, the situation was such that the Chairman of the Waterfront Industry Tribunal, Judge Archer, was prompted to make the following comment at a Harbour Boards conference in 1966: "It gives me some concern . . . that port employers . . . though freely advocating stronger disciplinary action in respect of misconduct on the waterfront, consistently give way in the face of a threat of strike action."[67]

Nonetheless for a strike threat to be potent, it has to be backed up by a willingness and demonstrable capacity to actually engage in industrial action. As the statistics on stoppages demonstrate, union members at a good many ports were mobilized in this manner. But strike action varied considerably between ports. Tables 5.1 and 5.2 demonstrate that some port unions were more militant than others. Considered in terms of the number and intensity of stoppages, the ports where the majority of

[67] Minutes of Harbour Boards' Conference, 16/3/66. Port Employers Association Records, 89-395, Box 73 (Alexander Turnbull Library, NLNZ).

Table 5.2 : Man-hours Lost Per Stoppage 1953-70

Port	1953	1954	1955	1956	1957	1958	1959	1960	1961
Auckland	4730	2395	13025	-	21847	25637	16030	-	-
Wellington	1574	1179	240	2928	-	-	17265	12160	-
Lyttelton	-	-	-	1406	-	1292	332	-	7816
Dunedin	-	-	-	-	-	-	-	-	-
Port Chalmers	-	-	-	-	-	-	-	-	-
Whangarei	-	-	-	-	-	-	716	-	-
Mount Maung.	-	-	-	-	-	-	1285	-	-
Gisborne	-	-	-	-	-	-	-	-	-
Napier	-	-	-	-	-	-	-	-	-
Onehunga	-	-	-	-	-	-	-	-	-
New Plymouth	-	-	-	-	-	-	7277	-	-
Wanganui	-	-	-	-	-	-	-	-	-
Nelson	-	-	-	-	-	-	-	-	-
Picton	-	-	-	-	-	-	-	-	-
Timaru	-	-	-	-	-	-	-	-	-
Oamaru	-	-	-	-	-	-	-	-	-
Bluff	-	-	2453	-	970	-	-	-	-
Westport	-	-	-	-	-	-	-	-	-
Greymouth	-	-	-	-	-	-	-	-	-
Taranaki	-	-	-	-	-	-	-	-	-

Port	1962	1963	1964	1965	1966	1967	1968	1969	1970
Auckland	-	58720	3260	-	-	-	-	28497	8552
Wellington	24803	-	108801	-	115785	139	-	31597	33618
Lyttelton	7186	10169	38332	-	4945	-	-	5714	17050
Dunedin	-	-	-	-	-	-	-	-	-
Port Chalmers	-	-	-	-	-	-	-	-	-
Whangarei	-	-	-	1461	-	-	-	-	326
Mount Maung.	-	-	3111	-	57197	-	-	15960	20639
Gisborne	-	-	-	-	-	-	-	-	-
Napier	-	-	1508	-	1997	-	-	6184	1905
Onehunga	-	-	-	-	-	-	-	-	1314
New Plymouth	-	-	-	-	-	-	-	-	-
Wanganui	-	-	-	-	-	-	-	-	-
Nelson	-	-	-	-	-	-	-	-	-
Picton	-	-	-	-	-	-	-	-	-
Timaru	-	-	-	-	-	-	-	-	-
Oamaru	-	-	-	-	-	-	-	-	-
Bluff	-	-	3630	3860	-	9850	-	-	-
Westport	-	-	-	-	-	-	-	-	-
Greymouth	-	-	-	-	-	-	-	-	-
Taranaki	-	7315	9830	2349	1960	-	-	594	2968

Source: Waterfront Industry Commission Annual Reports

industrial action occurred were invariably the larger ports, both of the North Island (Auckland and Wellington) and the South Island (Lyttelton). Smaller ports (such as Bluff and Mount Maunganui) were also active, but despite the fact that some of the smaller port unions stopped work over particular issues, the unions at the larger ports consistently were at the forefront of industrial action.[68]

There is undoubtedly an element in this pattern which relates to the size of ports where the port unions were located, both with respect to the sheer number of watersiders and the scale and amount of work, and hence the greater potential for disputes at these ports. Turkington (1976:293-8), who notes that the overwhelming majority of stoppages between 1968-73 were at the larger ports (which conforms to the pattern I have identified in the 1950s and 1960s), argues that the 'bargaining power' of each port union was crucially related not only to the size, but also to the level of trade and vulnerability of the port to having trade permanently diverted elsewhere. He argues that this effect militated against some unions capitalizing upon the advantage which results from the 'perishability' to shipping companies of the time a ship spends in port.[69]

Undoubtedly there was a considerable degree of flexibility in the degree to which shipping companies could choose between ports - a report subsequently published in 1984 found that under half of the cargoes at most ports were 'captive trades'.[70] Nonetheless there were absolute limits to the extent to which cargo could be diverted from one port to another during this period which Turkington overlooks.

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[68] Interestingly enough, this pattern corresponds to the British experience, as identified by Turnbull et al. (1994:4): "The pattern of industrial conflict on the docks was indeed one of persistent militancy in the major ports which dominated the industry's strike pattern, in contrast to the majority of (smaller) ports where dockers, like colliers of a previous era and their contemporaries in the manufacturing sector, rarely struck work."

[69] Turkington (1976:294) writes: "At a declining port the bargaining power of workers may be low, in that a stoppage may hasten the port's decline". Furthermore, he tentatively suggests that "there are least two types of ports. On the one hand are those large and busy ones where the workers' bargaining power is high and, on the other, those with a declining or spasmodic trade where the workers' bargaining power is low" (ibid:294).

[70] Ministry of Transport (1984:167).

Geographically, the 'elongated' shape of the country and relatively high internal transport costs imposed constraints on shippers.

More importantly, however, Turkington's hypothesis does not explain why ports of roughly the same size and with similar levels of trade within both the waxing ports and the waning ports differed markedly in levels of disputes - why there were more stoppages at Mount Maunganui than Dunedin, why there were more stoppages at Taranaki than Timaru. Thus *ceteris paribus* the differing size or circumstances of ports was, at most, a mediate rather than a proximate cause. As Turnbull et al. observe, in an insightful article on strikes on the waterfront in Britain:

> While size is clearly an important variable, as has been noted in the case of manufacturing it cannot explain why one plant (port) experiences many more strikes than another of comparable size . . . . Strike activity . . . is not simply determined by size, as questions of militancy, mobilization and a wide range of other variables intervene (1994:14).

Indeed, I would argue that issues of militancy and mobilization are among the most important of the proximate factors in explaining differences in levels of stoppages between ports of a similar size in New Zealand. For instance, among the smaller ports Mount Maunganui and Taranaki stand out, as against the more conservative and parochial South Island unions such as Nelson and Timaru.

To return to the larger ports, the levels of solidarity and militancy on the part of the unions at the Auckland and Wellington were considerable. Indeed, a Federation executive member was able to announce to the WWF conference in 1968 that the "Wellington Union has a reputation for militancy. They have several

hundred militant class conscious workers."[71] Similarly, the 1966 Port Employers Association Annual Report stated that: "We have almost come to regard it as inevitable that industrial relations at Wellington will be poor."[72] It should be noted that these were not merely isolated 'pockets' of militancy - the Auckland and Wellington unions together consistently comprised more than 40 percent of the total number of watersiders. The militancy and independence of these, the two largest port unions, was to foreshadow their subsequent role in rejecting a watershed GPO negotiated in 1970 in the wake of the Waterfront Conference.

The increasing organizational capacity of individual port unions to take industrial action, however, was accompanied by attempts by the Federations to centralize the coordination of industrial action. To be sure, the port unions could (and frequently did) call upon the assistance of their respective Federation in the case of disputes. A former member of the North Island Federation executive recalled numerous occasions when this occurred:

> The national union would be handed the dispute by the port union, if it couldn't fix it. If it was dissatisfied with the Port Committee, it would then go to the Tribunal, and by that time you had to argue and prepare and present and argue the case. . . . Or if they didn't want it to go to the Port Committee, wanted to handle it as a dispute, they would of course let you have the details and that. And on many occasions the local officers would say 'well look, this looks as if its going to get out of hand, we're not happy with the thought of it going to the Port Committee, what about coming and having a look at it'. And so what would happen, it depended what port it was, we'd hop in a plane or jump in the car, and go there. Have a look at the circumstances and situation, and assess it, have a meeting with the local union or the local executive, sometimes have a lengthy argument about it, and see if you could arrive at a solution that you could put to the local employers, to see if a settlement could be achieved. Many times it was. (Interview)

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[71] Minutes of the Waterside Workers Federation Conference, 18/11/68. New Zealand Waterfront Workers Union Records, 92-305, Box 13/3 (Alexander Turnbull Library, NLNZ).
[72] PEA Annual Report (1966:8). Port Employers Association Records, 89-395, Box 129 (Alexander Turnbull Library, NLNZ).

However, at least in the North Island Federation, a procedure was formalized during 1964 whereby port unions were formally required to inform and follow the instructions of the Federation in the case of disputes which had the potential to 'spread' beyond one port. Formally, the remit passed by the North Island Federation reads as follows:

> That when any dispute involving stoppages of work that could extend and involve any other ports occur all relevant information shall be forwarded to the Head Office who in turn shall notify affiliates of the actual position and give instructions accordingly.[73]

The fact that in 1962 the Lyttelton Union was censured by the South Island Federation for engaging in direct action without advising the Federation suggests that this type of control was not merely restricted to the North Island Federation.[74] The type of control that this remit sought to establish, in curtailing the autonomy of the port unions, gradually evolved to the point where, particularly after the national Federation was formed in 1967, industrial tactics both with respect to disputes of interest and disputes of right could be coordinated nationally. But as I will subsequently demonstrate, the cooperation of the port unions in 'handing over' disputes to the Federation was not guaranteed.

To be sure, the Port Employers Association also coordinated at a national level its members' responses to industrial action. There are numerous examples in the minutes of the PEA Management Committee meetings of policy being formulated with respect to disputes, not only relating to bargaining over agreements but also disputes which emerged on particular vessels during the course of an Order. Often this policy was established as disputes arose, in anticipation of the gangs on a vessel stopping work. The policy (such as the imposition of collective penalties)

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[73] Minutes of the North Island Waterside Workers Association Conference, 17/11/64. New Zealand Waterfront Workers Union Records, 92-305, Box 4/1 (Alexander Turnbull Library, NLNZ).
[74] An account of this incident is provided by Norris (1980:192).

was then implemented by the branch of the PEA at the port level and by the companies in question. There are many instances in the records of local branches of the PEA (and their members) 'awaiting instructions' after having forwarded the details of a dispute to the national office. The form of organization of the PEA, as a national body, also made it somewhat easier than the Federations to ensure that its members acted in accordance with the Association's policy.

Given that the Port Employers Association sought to keep unions to the procedures of conciliation and arbitration, and that the Tribunal frequently censured unions for taking 'direct action', why were port unions that effected stoppages not prosecuted? Conceivably, the employers could have taken legal action, but this did not occur largely because of developments in the broader realm of industrial relations. As Roth incisively commented:

> For all practical purposes the penalty provisions against unlawful strikes are a dead letter, because both the Labour Department and the employers are aware that to take strikers to Court can only worsen industrial relations and would probably rally the local Trades Council and the Federation of Labour in support of the traditional trade union principle of the right to strike (1974:100).

The fact that members of port unions were never prosecuted provides an insight on the limitations of the law as a form of industrial regulation.

Despite the more militant stance of the unions, there were no *national* stoppages during this period, and full-blown industrial action did not occur until 1971. There were, however, several 'multi-port' disputes (particularly in the late 1960s). And although a strike threat often formed the backdrop to national negotiations, strikes were not typically used in the course of bargaining during this period. Although there were no national stoppages, nor stoppages during the course of bargaining, there were numerous stoppages at various ports in 1964-5 in the wake

Table 5.3 : Waterfront Strikes 1953-75

Year	Strikes	Firms Affected	Workers Involved	Working Days Lost	Wages Lost ($)
1953	1	13	1008	188	2408
1954	3	33	3544	522	7908
1955	5	30	4173	1450	13510
1956	3	19	2394	634	5246
1957	3	29	4871	2111	20900
1958	3	31	3757	2509	24316
1959	5	41	4040	4001	37550
1960	1	10	1256	1134	15530
1961	1	5	511	729	10550
1962	2	4	1551	3210	27064
1963	3	27	2648	7104	89974
1964	17	152	15165	15736	171420
1965	3	6	745	768	9834
1966	13	51	5119	18408	202522
1967	2	5	346	999	11560
1969	12	79	10961	8913	127860
1970	31	168	23018	17944	237880
1971	33	214	28826	28040	410730
1972	31	106	13733	11821	185062
1973	15	57	7310	10453	192140
1974	8	80	9266	12915	239500
1975	5	12	1019	927	13300

Source: Monthly Abstract of Statistics

of the Streamlining Report and in the lead-up to the next round of national negotiations. Indeed in 1964, as a WIC Report (1965:9) observed, "The number of stoppages . . . and the lost time . . . are greater than they have been in any year since 1951." This upsurge in industrial activity is registered in Table 5.3.[75] It was the larger unions particularly (Auckland, Wellington and Lyttelton) that took the lead during the employers' offensive in the wake of this report being published.

The Streamlining Report was of considerable importance as an element in the industrial relations 'climate' on the waterfront during this period.[76] The report was jointly commissioned by the Producer Boards and the shipping companies that shipped their produce, and it was released early in 1964.[77] Its brief was to: "Examine all factors likely to affect economies in the turn round of shipping" in New Zealand, and in ports in Britain and North America which serviced vessels carrying New Zealand exports. The Report recommended various measures in order to, as its title suggests, 'streamline' the turn-around time of ships and to expedite the flow of cargo through the ports. Significantly, it made a number of recommendations about waterfront labour in New Zealand. It recommended *inter alia* the introduction of permanent gangs, modifications to incentive schemes and, most importantly, that "the hours of work should be reduced to a more normal

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[75] This table was compiled from information contained within the Monthly Abstract of Statistics, published by the Department of Statistics. Although it is not as reliable as the data contained in the Waterfront Industry Commission's Annual Reports used to compile Tables 5.1 and 5.2, it has the advantage of providing figures on the number of firms affected by each stoppage and the number of workers involved, which gives greater indication of the scope and intensity of the strikes. Any discrepancy between this table and the information presented in this chapter which has been derived from WIC reports can be explained largely in terms of the limitations of stoppage statistics compiled by the Department of Statistics (see Harbridge 1987). It should also be noted that data for 1968 was not published.

[76] I have drawn the concept of an industrial relations 'climate' from the work of Dastmalchian et al. (1991).

[77] The producer boards were the Meat Board, the Dairy Board and the Apple and Pear Board. These boards formed the Producer Boards Shipping Utilization Committee. The four shipping lines, which formed the New Zealand Trade Streamlining Committee, were as follows: the New Zealand Shipping Company, Shaw Savill and Albion, Port Line and Blue Star. The so-called 'Streamlining Report' was jointly written by the two committees, and was entitled 'New Zealand Overseas Trade: Report on Shipping, Ports, Transport and Other Services'.

working day and that to enable this to be done shift working should be introduced" (1964:105).

It appears that some degree of consultation occurred between the Federations and the PEA to discuss the interim findings of the Committee, and in anticipation of the Committee releasing its full report.[78] For instance, the parties met in October 1963 and number of matters were discussed, including changes in cooperative (incentive) contracts sought by the employers, the introduction of mechanical equipment, and the employers' proposals to introduce shiftwork.[79] Indeed, a statement by one employers' representative was recorded thus: "Speaking for the overseas companies, he expressed the view that shift work was inevitable in some form or other on the waterfront."[80] It should be noted that this comment was made on behalf of one particular sub-group of employers, and that the PEA was divided on this issue (see below). The union representatives, on the other hand, all firmly opposed the introduction of shiftwork.

At this meeting, South Island Federation General Secretary Weith stated that:

> A meeting of minds would show that there was often very little between the parties and that it was much better that these differences were resolved directly between those concerned rather than referred to the Tribunal.[81]

This comment foreshadowed the approach adopted by the Federations in the next round of national negotiations in 1965, and further consultation occurred after the

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[78] The Committee had released "joint interim reports in December 1962 and April 1963 recommending a change of dates for the import licensing year . . . , the introduction of shift work on the waterfront and a system of two port loading and discharging" (WIC Report 1964:6).

[79] The account of this meeting has been reconstructed from a report of what was discussed, which was in records of the South Island Federation's correspondence with the PEA. New Zealand Waterfront Workers Union Records, 92-305, Box 2/14 (Alexander Turnbull Library, NLNZ).

[80] Minutes of Special Meeting Between PEA and North Island Federation and South Island Federation Representatives, 9/10/63. New Zealand Waterfront Workers Union Records, 92-305, Box 2/14 (Alexander Turnbull Library, NLNZ).

[81] Ibid.

Committee had released its report. For instance, a meeting was held between the two Federations, as well as representatives of the Federation of Labour, with the Streamlining Committee in February 1964 to discuss the recommendations it had made.[82] The PEA records indicate that the Association decided not to proceed with the claim to introduce shiftwork, despite the fact that the Report had recommended its introduction and - more significantly - that one of the two main sub-groups of employers (the Overseas Shipowners) wanted it.[83] Roth notes that: "The unions vigorously resisted employer attempts to bring in the 24-hour round-the-clock shiftwork on the waterfront. Instead they took up the Streamlining Report's case for a reduced working day" (1993:170).

In the next round of negotiations for a national agreement in 1965, largely as a result of the developments associated with the Streamlining Report, an exceptional situation developed in that two new GPOs were negotiated in the space of just seven months (GPO 230 and GPO 247). Together they ushered in some very significant changes on the waterfront and incorporated substantial gains achieved by the Federations. The negotiations for each agreement reflected the approach, which the Federations adopted in the early in the preceding period, of trying to wring as many concessions as possible out of the Port Employers Association in conciliation proceedings. Indeed, the negotiations in the National Conciliation Committee which had been appointed to deal with claims for GPO 247 were very lengthy (some 52 days in total), and North Island Federation President Isbey stated that:

> The wisdom of staying as long as we did at the negotiating table and extracting as much as possible from the Employer was readily evident when the few other matters on which there was no

[82] Minutes of the South Island Waterside Workers Federation Conference, 29/11/66. New Zealand Waterfront Workers Union Records, 92-305, Box 1/14 (Alexander Turnbull Library, NLNZ).
[83] Minutes of PEA Management Committee Meeting 394, 20/4/66. Port Employers Association Records, 89-395, Box 203 (Alexander Turnbull Library, NLNZ).

> agreement was [sic] taken to the WIT. We received practically nothing.[84]

General Secretary Napier commented further:

> all of the major matters of our [General] Principal Order were decided in conciliation and not by the Tribunal. . . . We must, at all times, endeavour to reach agreements with the Port Employers, before relying on the Tribunal to decide any issue of importance to us.[85]

Perhaps the most notable achievement was the negotiation of the ten hour day which was introduced by GPO 230. Previously, the length of the standard working day on the waterfront had been 11 hours.[86] Roth (1993:170) writes that:

> Acceptance of the ten-hour working day on the waterfront in two shifts was hailed as the largest change in the New Zealand way of life since the introduction of the 40-hour week in 1936. It affected all workers supplying the waterfront - drivers, railwaymen, tallymen, harbour board employees, as well as watersiders - and was estimated to put an extra million pounds into workers' pay packets.

Together with an increase in the ordinary time hourly rate, GPO 230

> provided for the payment of eight hours in the day at ordinary time and two hours at double time and for the payment of meal money . . . to workers required to work after 1p.m. Mondays to Fridays. This ensured that waterside workers received not less in a 10-hour day, worked 7a.m. to 7p.m. at times agreed to at each port, than they would have received in an 11-hour day worked between 8a.m. and 9p.m (WIC Report 1965:8).

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[84] Minutes of the North Island Waterside Workers Association Conference, 16/11/66. New Zealand Waterfront Workers Union Records, 92-305, Box 4/2 (Alexander Turnbull Library, NLNZ).
[85] Ibid.
[86] These were the actual hours of work which were worked within a period of 13 hours, interspersed with two meal breaks. It should be noted here that the exception was the Port of Bluff where agreement had been secured in 1956 to work only 10 hours. Despite the attempts of other port unions (such as Lyttelton) to secure these hours, the Port Employers always maintained that this arrangement related to exceptional conditions at Bluff.

That the Federations were able to wring considerable concessions out of the employers in this period is significant (and also a testimony to their 'bargaining power' at the national level), but it was also achieved at the cost of supposedly allowing greater 'flexibility' in some areas. A good example is the 'Modernization Fund', financed by a levy on employers collected by the Commission, which was introduced by GPO 247. The fund provided substantial retirement benefits to watersiders of 65 years and over who had at least ten years continuous service (WIC Report 1966:8). However this fund was introduced as part of a *quid pro quo* with the Federations regarding the conditions surrounding the introduction of mechanical equipment. Although the unions had in 1961 largely secured control of the occupational boundaries which were threatened by pre-container technological change through an agreement with the PEA (see Chapter 7), this agreement traded off the Modernization Fund against the retention of gang sizes. The Commission's 1966 Report makes this *quid pro quo* explicit:

> The establishment of this Modernization Fund is conditional upon the port unions and their members undertaking to give their full cooperation in the observance of the conditions of employment with particular reference to the rights of employers to increase sling loads and reduce gang strengths through mechanization. The agreement made between waterfront employers and workers enables steps to be taken with the cooperation of both parties to increase mechanization and reduce costs (WIC Report 1966:8).

Around this time, a division within the PEA emerged over the terms and conditions that should be pursued in negotiations with the Federation.[87] The point at issue was the introduction of shiftwork which, as I noted earlier, the PEA had decided not to pursue in the round of negotiations following the publication of the Streamlining Report. However, in 1966 the Overseas Shipowners wanted the issue revived, and sought to have the PEA expeditiously achieve an agreement on

[87] This division is apparent in the minutes of PEA Management Committee Meetings 394 (20/4/66) and 396 (15/6/66). Port Employers Association Records, 89-395, Box 203 (Alexander Turnbull Library, NLNZ).

its introduction. The representatives of the New Zealand Shipowners Federation, on the other hand, were equivocal in their support of shiftwork. At a PEA Management Committee meeting they acknowledged that some of the coastal shipping companies would be interested in introducing shiftwork but, as one representative stated, "The coastal interests could not accept any arrangements for shift work if it meant that the normal basic day was likely to be reduced to 8 hours."[88] Yet at the same time as rifts were beginning to appear within the PEA in the lead-up to containerization, the unions united in January 1967 to form a national organization, the Waterside Workers Federation. But, as we shall see, while the PEA was largely able to reconcile the different interests of its members, developments in the late 1960s called into question the ability of the Federation to do so.

Negotiations for GPO 279 in 1967, wherein the unions secured increases in daily and weekly minimum payments as well as in the ordinary time rate, were to some degree overshadowed by the establishment of the Waterfront Conference in December of that year. Although the Conference - a specially constituted conciliation forum - was established by the Government, and the Federations never asked for it to be convened, President Isbey said at the first biennial conference of the new national Federation in 1968 that "These are probably the most critical talks that watersiders have ever embarked upon."[89] Developments arising out of the Conference, which lasted for two years, were intertwined with impending containerization. I will provide a fuller account of these events in Chapter 7.

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[88] Minutes of PEA Management Committee Meeting 396, 15/6/66. Port Employers Association Records, 89-395, Box 203 (Alexander Turnbull Library, NLNZ).
[89] Minutes of the Waterside Workers Federation First Biennial Conference, 18/11/68. New Zealand Waterfront Workers Union Records, 92-305, Box 13/3 (Alexander Turnbull Library, NLNZ).

The broader industrial relations climate within which the Waterfront Conference took place was one of considerable volatility. As I noted in the preceding section, the pattern of wage-bargaining on the waterfront was influenced by the centralized wage-setting arrangements within the Arbitration system generally. The Tribunal, on application from the unions, typically incorporated the General Wage Orders issued by the Arbitration Court in their agreements. Often this was effected by means of a Principal Order during the course of a GPO. However, in 1968, the Court issued a nil general wage order. As Roth (1974:146) notes, "This decision was greeted with a storm of protests, thousands of workers took part in stop-work meetings and demonstrations." While on the waterfront only the Wellington Union stopped work, the WWF executive vehemently supported the Federation of Labour's efforts to reverse this decision.[90] Federation President Wasley made the following retrospective remark about these developments at the WWF Conference in 1970:

> The successful campaign organized by the FOL to defeat the infamous Court of Arbitration nil decision in 1968 is now past history, but in effect is [sic] sparked off a new virile mood of militancy within our movement.[91]

It was in this broader context of industrial militancy, together with the impending arrival of full-scale containerization, that there was an upsurge in levels of

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[90] Walsh writes "To forestall impending industrial chaos, the FOL and the Employers' Federation subsequently made a joint application to the Court, where the worker and employer representatives joined forces to outvote the Judge of the Court, and issue a 5 per cent increase" (1993:182). Boston elaborates further: "The nil-wage order had four immediate effects: it shattered the labour movement's confidence in the Court as an honest broker in the industrial relations arena; it sparked a wave of protest action; it further encouraged the move towards direct negotiations between employers and employees; and it eventually prompted a new approach to the Court by the FOL and the Employers' Federation. On this occasion the employer representative on the Court voted with the worker representative and by a majority decision (with Judge Blair dissenting) the Court awarded a 5 percent GWO" (1984:91).

[91] Minutes of the Waterside Workers Federation Second Biennial Conference, 23/11/70. New Zealand Waterfront Workers Union Records, 92-305, Box 14/1 (Alexander Turnbull Library, NLNZ).

industrial conflict on the waterfront during the course of the Waterfront Conference. This upsurge is evident in Table 5.1.

Much of what was agreed to through the Waterfront Conference was ultimately encoded in GPO 305 in 1970. Briefly, the employers sought four main things through the Conference to be incorporated in the new GPO. As the 1970 WIC Report states,

> The employers' proposals for a new general principal order constitute a "package deal" and require the unions to accept them in full. The main objectives of the proposals are: (1) Permanent employment in 12 major ports. (2) The working of supplementary hours at these ports. (3) Work in wet weather. (4) A completely revised incentive contract scheme (1970:17).

It should be noted that the phrase 'permanent employment', in this usage, meant not direct employment of watersiders by shipping and stevedoring companies, but rather the payment to watersiders of a standard 40 hour weekly wage irrespective of whether work was available for them to perform.

These conditions were finally accepted by the Federations, but at the expense to the employers of a number of significant concessions. The 1971 WIC Report provides a useful summary of the main features of the new Order:

> It provided generally for the continuation of work to the fullest extent possible irrespective of weather conditions; a new incentive contract scheme; telephone notification to the men of advice of transfer from one job to another, and benefits to the workers of increased rates of pay, retirement and sickness benefits, and other monetary benefits . . . . At ports not large enough to warrant permanent employment, watersiders continue to receive similar guarantees to those applying prior to the new order, while at the larger ports they receive a weekly wage equally to 40 hours per week at ordinary time. At the latter ports the provision is also made for a supplementary work period which effectively increases the span of working hours from 55 to 80 hours per week (1971:17).

The precise features of this agreement, and how they related to containerization, will be dealt with in Chapter 7. What is more important to deal with at this point, is the break-down of the 'stable balance' with respect to bargaining at the national and port levels which emerged when the port unions were asked to ratify the new Order. It was precisely at a time when the unions were attempting to achieve national unity, in the face of containerization, that problems arose. But this time it was not a weak, conservative union (like the Picton Union) which broke ranks, but rather the largest and one of the most militant unions.

(4.2.2) Local Bargaining

The process of negotiating Supplementary Principal Orders remained synchronized with GPOs until the late 1960s. For instance, following the negotiation of GPO 230 in 1965, the unions and employers at almost all ports applied for SPOs. In 1966 a series of meetings were held between the South Island Federation and the port unions within its constituency over local conditions. General Secretary Weith wrote in a circular to the port unions that

> These meetings which are customarily held after a new GPO is made, are to agree on the local conditions that will operate at each port and are then made into a supplementary order relating to that port. . . . These then prevail if there is any conflict with the provisions of the GPO.[92]

Thus there are strong indications that the Federations were still taking the lead in the process of local bargaining, and that the 'stable balance' was still in existence. But despite the formation of a national organization by the port unions in 1967, this centralized and 'externalized' form of bargaining almost foundered in 1970.

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[92] South Island Federation Circular to Port Unions, 17/3/66.

The breakdown of the 'stable balance' which had hitherto existed on the waterfront, and the role of the unions at Wellington and Auckland in this development, was to some extent foreshadowed in a demarcation dispute which occurred in 1969 at the Port of Wellington over the packing and unpacking of containers. This dispute will be described in greater detail in Chapter 7 (which deals with technological change), but briefly it can be noted that the dispute involved the Storemen and Packers Union and resulted in the Wellington Union imposing a 'black ban' on container handling. What is significant about the dispute is that the Wellington Union refused to obey directions of the Federation executive, by not lifting the ban, and furthermore refused to 'hand over' the dispute to the Federation. A representative of the Wellington Union stated at the time that:

> Some ports have not been too interested in this matter. . . . Membership of [the] Wellington Union [is] reducing rapidly, no future [is] seen, nobody is doing anything about the matter. . . . The Black Ban has resulted in people wanting to talk to us.[93]

The Wellington Union received an endorsement of their actions from the union at the Port of Auckland, where containerization was occurring apace, and the Lyttelton Union also lent its support. Ultimately, the Federation was forced to support the Wellington Union largely because it had the support of the other two largest unions.

Although this dispute was subsequently resolved, it raised some very important issues particularly with respect to the Union acting independently and the Federation being unable to 'rein it in', which presaged the GPO troubles in 1970. A member of the WWF executive summed the situation up when he stated: "We are a Federation, not a National Union and can only appeal to a trade union

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[93] Minutes of Waterside Workers Federation Executive Meeting, 8/12/69. New Zealand Waterfront Workers Union Records, 92-305, Box 12/6 (Alexander Turnbull Library, NLNZ).

conscious approach from our member affiliates."[94] Irrespective of the degree to which the Wellington Union's approach conformed to or departed from the principles of trade unionism, its actions certainly demonstrated the willingness and capacity of a large and militant port union to act independently, and the incapacity of the Federation to formally prevent this type of action.

The breakdown of the process of establishing national agreements occurred in 1970.[95] As I noted above, a new GPO (Number 305) had been negotiated which incorporated matters agreed to in the Waterfront Conference. WWF executive members then travelled to Wellington and Auckland to explain the provisions of the new order. This effort was part of the usual process whereby the executive had to attempt to 'sell' the national document, which had been agreed to with the Port Employers Association, to the individual port unions which then conducted a ballot on it. Members of the Wellington Union had attended the Auckland meeting and vice-versa. Federation President Wasley was verbally attacked by the rank and file at both meetings, both for agreeing to the new document and particularly regarding how decisions were made within the Federation.[96] General Secretary Napier was later to comment (at the 1970 WWF conference) that "Your officers have been subjected to vilification and abuse of the worst industrial type . . . at an Auckland meeting which they attended."[97]

The upshot of these meetings was that the members of the Auckland and Wellington unions refused to participate in the ballot to ratify the GPO. Although,

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[94] Ibid.

[95] I have reconstructed these events from minutes of WWF Biennial Conferences and National Executive Meetings. Roth (1993:175-6) provides a brief account of the same developments in his history of the Auckland Union.

[96] This account of the dispute and meetings is taken from the minutes of a WWF Executive meeting on 8/12/69. New Zealand Waterfront Workers Union Records, 92-305, Box 12/6 (Alexander Turnbull Library, NLNZ).

[97] Minutes of the Waterside Workers Federation Second Biennial Conference, 23/11/70. New Zealand Waterfront Workers Union Records, 92-305, Box 14/1 (Alexander Turnbull Library, NLNZ).

as I noted above, the new national agreement contained many benefits to the unions, the Auckland and Wellington unions were dissatisfied with, *inter alia*, the wet weather work provision and the mandatory working of supplementary hours. The minutes of a WWF executive meeting in 1970 provide the following record of a comment by a representative of the Auckland Union:

> the Auckland Union worked regular and lengthy hours compared to many other ports. . . . The position at his port was such that a local set of improved conditions was well warranted. He accepted that there was [sic] considerable improvements in the new GPO - particularly for smaller ports, but certain of the conditions in that Order were not acceptable to his union.[98]

At this point, it was harder for the Federation to get all of the local unions to accept the new national agreement than the employers. This development caused considerable concern within the executive of the Federation. As President Wasley remarked,

> Both these big unions have stated they did not wish to disaffiliate from the Federation, neither can the Federation afford to have this occur, but we cannot continue to function as a Federation if we succumb to this type of pressure from the Auckland and Wellington unions.[99]

Consequently, the Federation requested the Port Employers Association to implement the GPO at the ports which had agreed to it, thereby leaving Wellington and Auckland outside the national agreement. But the employers initially refused to do so without the agreement of these (the largest) unions.

The Federation then convened a special conference to discuss the situation. The result was that members of the national executive met with the PEA to discuss the

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[98] Minutes of Waterside Workers Federation Executive Meeting, 16/7/70. New Zealand Waterfront Workers Union Records, 92-305, Box 12/6 (Alexander Turnbull Library, NLNZ).
[99] Minutes of Waterside Workers' Federation Executive Meeting, 18/5/70. New Zealand Waterfront Workers Union Records, 92-305, Box 12/6 (Alexander Turnbull Library, NLNZ).

issues which had led to the Auckland and Wellington unions not endorsing the GPO. Some minor improvements were negotiated, which the Wellington Union accepted. A Wellington representative later commented that "The Wellington Union adopted Order 305 with the intention of improving it."[100] But the Auckland Union continued to refuse to be bound by the agreement and sought to renegotiate its own Supplementary Principal Order. In effect, it sought to invert the order in which agreements were usually negotiated by bargaining for a Supplementary Order before the national agreement was settled. The Auckland President, Jack Clare, justified this position by stating that "what Auckland was attempting to achieve was to negotiate a local agreement before a national one. This is a Trade Union approach."[101] Irrespective of the trade union merits of this approach, by reversing the order in which negotiations were usually conducted, it marked a substantial departure from and challenge to the way negotiations had traditionally been carried out during this period.

The Auckland Union initially sought the assistance of the Federation in renegotiating its SPO. Auckland representatives attended a Federation executive meeting and requested "that an approach be made to the Employers through the Federation for an improvement in the local conditions for the Auckland Union."[102] Not surprisingly, this support was not forthcoming. The Federation's position, formally registered in a motion passed by the National Executive in July 1970, was that the Union had to accept the national agreement before any local negotiations with the PEA could be entered into on the Union's behalf by the Federation's officers. At this point the stakes were raised.

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[100] Minutes of the Waterside Workers Federation Second Biennial Conference, 23/11/70. New Zealand Waterfront Workers Union Records, 92-305, Box 14/1 (Alexander Turnbull Library, NLNZ).
[101] Ibid.
[102] Minutes of Waterside Workers' Federation Executive Meeting, 16/7/70. New Zealand Waterfront Workers Union Records, 92-305, Box 12/6 (Alexander Turnbull Library, NLNZ).

At the 1970 WWF Conference the issue was thoroughly discussed and the Auckland representatives were once again pressured to accept the new GPO, which the national executive trenchantly defended, and that had been implemented at all other ports in August of that year. General Secretary Napier maintained that: "The question of retaining national unity depends on observance of national agreements", and President Wasley stated: "I appeal to the Auckland Union to accept the new GPO . . . we have a National Agreement, and we can only make policy for the future on amending this Order."[103] The Auckland delegates, however, were not to be swayed. The minutes record that Jack Clare, the Auckland Union President, "stated the whole of Order 305 was repugnant to the Auckland Union especially the provision of working in wet weather."[104]

In September 1970 Principal Order 506 was passed. This Order was jointly negotiated between the national PEA and Federation, based on an agreement reached in the Waterfront Conference, and replaced the cooperative contracts system and employers incentives schemes with a new system of incentive contracts at all ports throughout New Zealand. The Auckland Union, however, elected to continue working under GPO 279 which allowed for incentive schemes negotiated between unions and employers. Furthermore, early in 1971 the Auckland Union sent a letter to the Federation National Executive, stating:

> That we of the Auckland Union intend to proceed alone with our negotiations with the PEA regarding Auckland local conditions, as we have no intention of accepting GPO 305, which is part of the deal if the National Officers are to be allowed to negotiate on our behalf.[105]

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[103] Minutes of the Waterside Workers Federation Second Biennial Conference, 23/11/70. New Zealand Waterfront Workers Union Records, 92-305, Box 14/1 (Alexander Turnbull Library, NLNZ).
[104] Ibid.
[105] Minutes of Waterside Workers' Federation Executive Meeting, 4/2/71. New Zealand Waterfront Workers Union Records, 92-305, Box 12/6 (Alexander Turnbull Library, NLNZ).

The Auckland delegates resigned from the national executive early in 1971, and for all intents and purposes the Auckland Union withdrew from the Federation until September that year. These developments reflected a significant breakdown within the Federation of the system of representation and delegation at the national level, which was rendered even more serious by the size and industrial strength of the dissenting union. In short, the 'externalized' system of summit bargaining was seriously challenged.

Although it appears that the Auckland Union had some difficulty in securing the consent of the national PEA to negotiate in this manner, it subsequently entered into local negotiations. However, these negotiations stalled when the employers refused to accede to the Union's demands. In response, the Union stopped work for five days in February which resulted in the loss of 50,036 man-hours (WIC Report, 1971:95). In total, Auckland refused to accept the new GPO for seven months. But without active support from other unions and the national organization, and in the face of resistance from the PEA to their demands, the Auckland Union was to finally accept the new GPO in March 1971. Because the Union had not ratified GPO 305, which had subsequently been implemented, a separate Principal Order (Number 310) was required to bring Auckland under the national agreement.

Later that year representatives of the Auckland Union attended a WWF executive meeting and sought to regain representation on the executive. It appears that part of their decision to seek a rapprochement with the Federation was in response to the uncertainties surrounding containerization - threats of redundancies, loss of work coverage and so forth. The National Executive compromised by passing a remit to the effect that the Auckland Union could send observers to national executive meetings, which signalled their reincorporation within the national organization. But even at this point an Auckland representative who attended the

meeting stated that: "The situation in Auckland is explosive."[106] However, the fact that the Auckland Union cooperated with the Federation by participating in a national stoppage (the first since 1951) in August 1971, in support of a wage increase, indicates their more moderate position with respect to the national organization.

This development, in its entirety, demonstrates the fragility and contingency of bargaining at the national level. This is a picture not of a stable, functional, agreed-upon 'split' between the national and the local, but rather of a more-or-less fragile set of group alliances and trade-offs. There was always the potential that these arrangements would break down during the search for a national agreement which was acceptable to all on both sides.

As a result of difficulties resulting from attempts to ratify GPO 305, together with the period of turmoil ushered in by containerization, a remit was passed at the 1970 WWF conference which represented an attempt to restrict the autonomy of port unions. It took the form of an agreement that a report would be prepared for the 1972 Conference on the feasibility of transforming the organization from a national federation into a national union. In support of the remit, one of the Wellington representatives stated that:

> There can be no room for local autonomy in the near future. A national union with responsible national leadership is the only sound form of organization to protect our members in the future.[107]

In his history of the Auckland Union, Roth argues that the Union's acceptance of the GPO marked the restoration of national unity within the Federation. And,

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[106] Minutes of Waterside Workers' Federation Executive Meeting, 28/9/71. New Zealand Waterfront Workers Union Records, 92-305, Box 12/7 (Alexander Turnbull Library, NLNZ).
[107] Minutes of the Waterside Workers Federation Second Biennial Conference, 23/11/70. New Zealand Waterfront Workers Union Records, 92-305, Box 14/1 (Alexander Turnbull Library, NLNZ).

indeed, the national industrial action in 1971 would tend to support this argument. But even then the local port unions and their members had to agree to the tactics which were proposed. The following example indicates that there was still some degree of tension within the Federation with respect to the national organization coordinating, and the port unions implementing, industrial action on a national basis. But this time it was the unions at the smaller ports that were the dissenters.

Despite the Federation effecting a national two-day stoppage in August 1971, the employers continued to refuse a wage adjustment. The executive of the Waterside Workers' Federation responded by authorizing the port unions to implement go-slows. The effectiveness of this action was discussed at an executive meeting in December 1971, and a remit was passed to the effect that "the policy of harassment be continued in an intelligent way and the Federation officials seek to re-open wage negotiations with the PEA."[108] In support of this policy, Federation President Fergus argued that go-slows could be more effective than a short stoppage.

It seems that this tactic was indeed effective at some of the larger ports. A representative of the Lyttelton Union noted that immediately after the directive had been issued to implement the 'policy of harassment',

> A go-slow was instituted, ships were delayed, work practically came to a standstill. . . . Employers squealed immediately . . . [and] demanded Port Committee meetings which we avoided. We have imposed and lifted go-slows as has been pertinent and convenient. This situation see-sawed for 10 days and has been most popular with the members.[109]

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[108] Minutes of Waterside Workers' Federation Executive Meeting, 16/12/71. New Zealand Waterfront Workers Union Records, 92-305, Box 12/7 (Alexander Turnbull Library, NLNZ).
[109] Ibid.

However, as this latter comment indicates, this type of action required the cooperation not only of the local union officials, but also the union members. And at this meeting, some of the port union representatives (particularly from the smaller ports) expressed their disagreement with this policy and noted that they had had difficulty in getting their members to implement go-slows. For instance, a representative of the New Plymouth Union stated that:

> We have discussed the question of policy and our members are not too happy with the policy. . . . Go-slows are not popular, stoppages are preferred and will be considered.[110]

A representative of the Dunedin Union agreed that go-slows were not very effective. In an interesting turn of events, the President of the Auckland Union (Jack Clare) attempted to reconcile these differences by arguing that go-slows were more effective at the larger ports which had continuity of shipping. He remarked:

> It appears that only the main ports can really fully implement our policy of harassment. Some of our members have made the go-slow too effective and to some degree we have applied the go-slow to every ship working. In some cases we may have to relax a little. . . . We have advised our Employers to get back in discussions with our national people on wages.[111]

Despite Clare's attempt at reconciliation between the unions at the large and small ports, Federation President Wasley is recorded in the meeting's minutes as having said that he was:

> disturbed to hear that some ports say they do not agree with the policy. As a policy it has been properly decided and should be accepted as such. He required ports whose members are not too

[110] Ibid.
[111] Ibid.

> enthusiastic to try again to convince their members . . . of the intention and long term view of the Federation policy.[112]

The Assistant-Secretary of the Federation lent his support to this position, commenting that:

> we are obliged to protect our members' interests and this can be accomplished more effectively [by] working as a unified body than through splinter groups of a small number of ports.[113]

Apart from showing that tactics other than stoppages were used by the unions during the course of national negotiations,[114] this example is significant in demonstrating that although the Federation could instruct port unions to carry out certain forms of industrial action, it could force neither the local union officials or members to carry them out. To the extent that a degree of national unity was regained after the problem with the Auckland Union, it certainly was not built upon unanimity.

Like the issue of shiftwork, which divided the PEA in the mid-60s, this case demonstrates the divisions within the national organizations which posed particular problems for the practice of industrial relations, particularly given that the local actors had access to the same legal machinery as the national organizations themselves. National agreements were not merely guaranteed by act of law, and the system did not automatically subordinate the local to the national. To the extent that this was achieved, it was effected by *organizational* means. To be successful, national bargaining required a reconciliation of the different sets of (local) interests *within* the national organizations on each side, which often was

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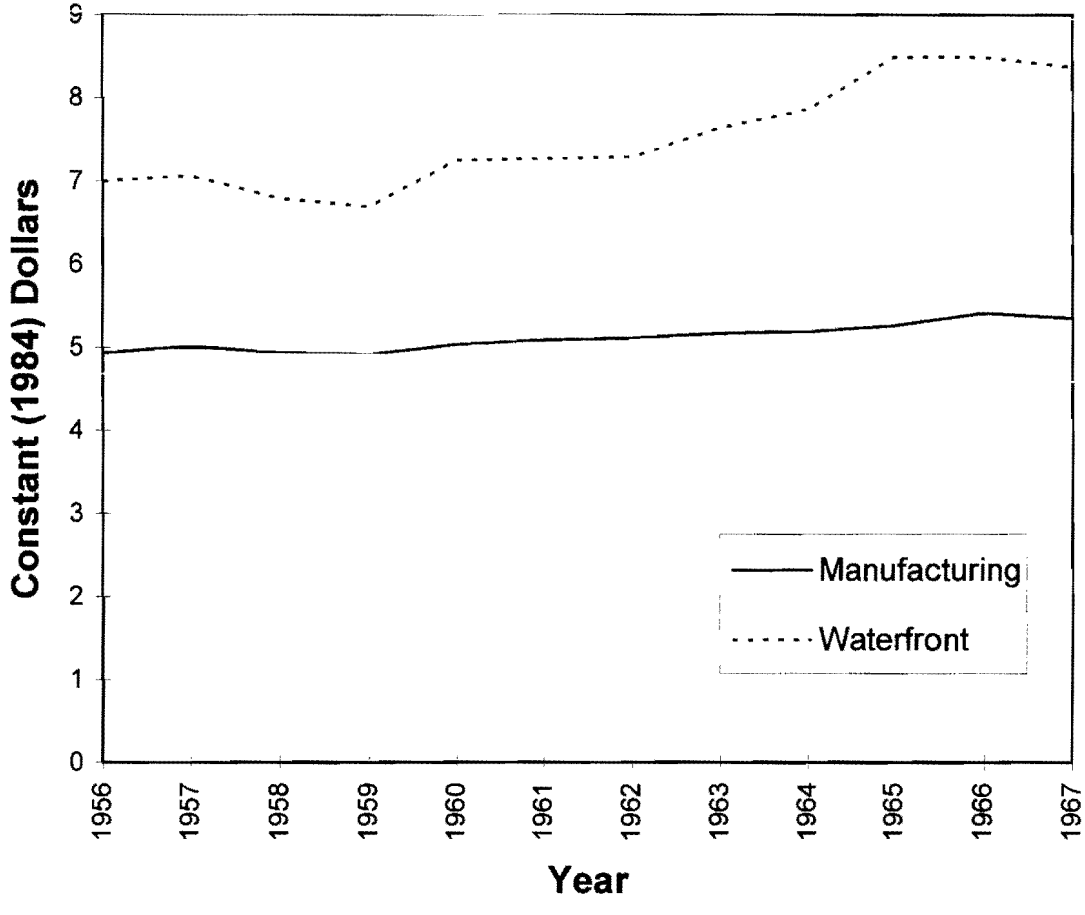
[112] Ibid.
[113] Ibid.
[114] Turkington (1976:250) is therefore incorrect in suggesting (albeit tentatively) that "go slows have been uncommon on the waterfront." It was the case merely that they were less common at the smaller ports.

Graph 5.3 Gross Average Hourly Rates



more difficult to achieve than agreement *between* these organizations. The goal was a document that was acceptable to all on both sides.

(5) Conclusion

This chapter has performed two (not unrelated) tasks: it has provided an account of patterns of bargaining and the intra- and inter-organizational dimensions to the practice of industrial relations; it has also provided an overview of what was achieved by the unions in terms of wages and conditions. With respect to the latter, a concatenation of factors produced good results for the unions. This was a period of favourable conditions for unions generally, which was reflected in the broader climate of industrial relations: "Rapid economic growth, general prosperity and a severe shortage of labour combined to strengthen the bargaining power of unions, and by relying on their industrial strength rather than on the generosity of the Court, unions achieved 'substantial wage escalation'" (Roth 1974:145). On the waterfront, particularly good results were gained. As Graph 5.3 demonstrates, the average hourly rate (which functions as a useful synthetic index of wage gains) was throughout this period considerably higher on the waterfront than in manufacturing.

Apart from what was achieved in terms of wages and conditions, this chapter has brought to light a pattern of industrial relations which does not conform to the typical characterization of the New Zealand 'system' of industrial relations. Not only does this call into question the degree to which a homogenous 'system' did in fact exist in New Zealand, the pattern which has been uncovered appears markedly different from the one that characterized industries within the jurisdiction of the Arbitration Court.

In this chapter, I have demonstrated the fragility and contingency of bargaining at the national level. The process of national bargaining involved concerted attempts

to 'weld together' a series of disparate and different ports under a national document which was acceptable to all on both sides; as the developments in 1970 illustrate, agreement between the respective national organizations did not automatically confer acceptance of a document at the port level. This does not conform to the image of the centralized, stable system that some authors use to depict industrial relations in this period in New Zealand. Although, as Walsh (1993) points out, the arbitration system was itself 'in decline' because of the proliferation of informal 'second tier' bargaining, this type of bargaining was underpinned by national agreements. But such bargaining was explicitly allowed for under the 1953 Waterfront Industry Act and it could, by law, take precedence over and substitute for national bargaining. There was nothing in law to prevent a union such as Auckland from refusing to ratify a GPO and seeking to (re)negotiate its own local agreement. To the extent that bargaining arrangements at the national level were stable, it was not the automatic result of legal regulation, but rather was a contingent development which was dependent on a more-or-less fragile set of group alliances and trade-offs. National agreements were always in danger of being undermined at the local level. Cases such as Picton and Auckland, far from being mere exceptions, demonstrate the weakness around the edges of these arrangements, that they could be eroded and that they were subject to change through time.

CHAPTER 6 : WORK RELATIONS IN THE BREAK BULK ERA

(1) Introduction

How systems of labour administration institutionalize gang systems of work is of crucial importance on the waterfront. Taking this statement as its point of departure, this chapter focuses specifically upon the intersection between employment relations, which I analysed in detail in Chapter 4, and the pattern of work relations that developed in the portion of the break-bulk era which coincides with this study. I demonstrate that the bureau system of labour administration crucially affected the organization of waterfront work in this period.

The British and American literature which I reviewed in Chapter 1 identifies the waterfront in the break-bulk era as a site of resistance to the dynamic of employer control of work which, according to authors within the labour process tradition, characterizes industries within the manufacturing sector. However, there is no 'logic' to the labour process which automatically and unambiguously generates this resistance. Although high levels of "process uncertainty" (Kelly 1978:1081) generally result in gang systems of work being utilized by waterfront employers worldwide, the terms on which gangs actually work are diverse. Significantly, levels of autonomy, which hinge on the relationship between foremen and gangs, are a *variable* rather than a constant property.

In light of this indeterminacy, the principal question that this chapter addresses is as follows: What impact did the bureau system of labour administration have upon power relations at the level of work? This hinges on the problems for employers that were thrown up by this system which exacerbated the inherent problems of control associated with gang systems of work, and the ways that these were resolved, which combined to produce a distinctive pattern of work relations.

Insofar as the issue of worker autonomy turns largely on the relationship between gangs and foremen (on the nature of supervision, that is), in the account of the social organization of work provided in this chapter, an analysis of the role of the foreman-stevedore will be central.

"Work relations", Edwards writes, "are the relations between employers and employees at the point of production which govern how work is carried out" (1986:1). In this chapter, I will attempt to identify, not the approximation of the pattern of work relations to an abstract typology of control or work organization, but rather the terms on which labour *actually* worked. In doing so, it is hard to underestimate the importance of the legally enforceable national agreement (the General Principal Order) and the locally negotiated agreements appended to it (the Supplementary Principal Orders) as forming the basis of job regulation on the waterfront. But the rules governing work do not exhaust the possibilities of how work is actually carried out. For, as Baldamus notes,

> the formal wage contract is never precise in stipulating how much effort is expected for a given wage (and vice versa). The details of the arrangement are left to be worked out through the direct interaction between the partners of the contract. If a worker slackens his effort at one moment, the foreman's job is to remind him, as it were, that he departs from his obligations, and, in certain circumstances, it is quite possible that there may be some haggling between the two as to what is a 'fair' degree of effort in relation to the wages paid (1961:35-6).

This fundamental indeterminacy, and the way that it is resolved, is central to the particular pattern of work relations which emerges. Edwards observes that:

> Workplace behavior involves social relationships around the effort bargain, that is the continuous negotiation that occurs in the workplace over how much effort, of what quality, shall be expended for a given reward (1986:74).

Furthermore, these social relationships are not merely the outcome of particular combinations of control or resistance (the standard theme of the Marxist-inspired labour process literature). As Edwards elaborates:

> the organization of work . . . is not the product of a deliberate managerial strategy counterbalanced by workers' resistance. It is created by the day-to-day activities of both sides as they try to deal with particular sets of circumstances, and adaptation and accommodation are as important as deliberate efforts to assert or resist 'control' (ibid:77).

Despite the fundamental differences and sources of conflict inherent within the capitalist labour process, there is a level at which the pattern of work relations is a 'negotiated' outcome (see Brown 1992:231-8). Thus this chapter will focus as much upon patterns of 'adaptation and accommodation', as sources of control and resistance, during the years 1953-1971, the portion of the break-bulk period which coincides with this study. Indeed, one of the principal *exogenous* sources of conflict in this period, technological change, which, although it was by no means as important as containerization, was nevertheless significant, will be held in abeyance and dealt with in the following chapter.

(2) The Problems of 'Management'

In this section I argue that the set of employment relations which evolved within the bureau system of labour administration rendered it difficult for employers to secure and maintain consistent levels of effort from gangs. To recapitulate, the bureau system abrogated the traditional rights of employers: control over hiring and dismissal. Employers in individual firms did not have control over hiring because watersiders were allocated to them by the local bureau from exclusive registers, the entry to which was regulated by the Port Employers Association (although often in consultation with the local unions). Equally, managers and

foremen could not permanently dismiss men who they regarded as performing inadequately; the most they could do was to place watersiders on penalty and return them to the bureau, which after a brief stand-down period would simply reallocate them to another employer. The concomitant of employers not being able to permanently dismiss watersiders, was that they were unable to permanently retain the men who they preferred. Furthermore, employers could not use promotions or seniority to engender commitment because the labour market was organized horizontally, rather than vertically, around the principle of averaging and work equalization.

Indeed, the problem for waterfront employers in New Zealand was almost identical to the one identified by Finlay that employers faced on America's West Coast, where a union hiring hall system operated: how to "control job performance without the conventional rewards and sanctions of the employment relationship - hirings, firings and promotions" (1988:44). But whereas Finlay argues that only a single (informal) arrangement centering on the effort bargain (the ubiquitous 'deal') developed in response to this problem, I will argue that in New Zealand a number of arrangements (both formal and informal) evolved to 'compensate' for the indirect employment relationship. And, as we shall subsequently see, these arrangements centered as much on the wage-structure as on 'deals' of the type that are identified in Finlay's study.

I turn now to elaborating further the difficulties that employers faced at the level of work relations as a result of the bureau system of labour administration. I will illustrate these problems with comments from the actors themselves (primarily employers, but also the Waterfront Commissioner) drawn from interviews and archival records. I will begin with a brief description of how gangs of watersiders were requisitioned by, and allocated to, employers.

Under the bureau system, employers could not select their workers, and workers could not select their employers. Instead, the labour bureaux assigned watersiders to employers in accordance with the broad principles of work equalization. Requisitions for gangs of watersiders were submitted to the local bureau office usually by a company's wharf superintendent or a supervisor the day before a job was due to begin. A specific number of gangs would be requisitioned, which had been determined while planning the job. The bureau staff then constituted the gangs in accordance with the procedures that I described in Chapter 4. They arranged the designated watersiders' discs on the labour allocation board, and also drew up a labour allocation list on a standard 'Allocation of Labour Form'.

As well as specifying the company, ship, and berth, each labour allocation form had three columns in which the bureau staff wrote respectively the names of the watersiders who had been allocated, their bureau register numbers, and the position in the gang that they had been allocated to. The bureau also specified the 'hatch' (the cargo compartment in the ship's hold) that the gang had been assigned to.[1] Each 'hatch' was assigned a hold gang and a corresponding wharf gang.[2] Consequently, two allocation forms were usually completed, one for the gangs in the hold, and another for the corresponding gangs on the wharf.[3] Each hold gang was typically made up of one winchman (who operated a shipboard winch), one hatchman (who directed the winch operator) and several holdmen (who worked in

[1] Mills notes that: "The hold of a vessel is the area below the weather deck (or main deck) which is designed to accommodate cargo. The hold is divided into 'hatches' by watertight bulkheads" (1979:128).

[2] The type of allocation that I am describing is for break-bulk jobs. Bulk cargoes, such as wheat, did not have a gang in the hold. Instead, a hatchman directed a crane with a scoop into the hold. Also, on break-bulk jobs, a very large hatch could have a gang allocated to either end of it.

[3] Strictly speaking, a 'gang' comprised both the watersiders on the wharf and the watersiders in the hold at a particular hatch. However, each of these groups were frequently referred to by watersiders, bureau staff and managers as 'gangs'. Furthermore, each group worked independently, were usually supervised by separate foremen, and once allocated the positions between them were not interchangeable. For these reasons, I will retain the convention of referring to them as 'gangs'.

the ship's hold breaking down or stowing cargo).[4] Each wharf gang was made up of several wharf hands. The actual gang sizes were stipulated in the relevant principal order, and varied according to the type of cargo being worked. A few 'spare men' (who were on hand to relieve men who had to temporarily absent themselves from work) and shipwrights (carpenters who specialize in erecting and dismantling dunnage) would also be allocated to gangs.[5] Thus each gang was composed of a series of precisely specified positions, each filled by a designated watersider. The size of the gang could not be changed, nor could its position on the ship be altered.

As well as gangs of watersiders, a small number of individuals from peripheral occupations would also be sent to ships. One tally clerk would be assigned to each hatch, and a 'signing up' tally clerk, who aggregated the tallies from all of the hatches, would be assigned to each vessel.[6] Also, ships were often worked with a combination of ship's own gear and shore-based winches. Insofar as these winches were usually owned by harbour boards, the board in question would supply their own winch operator. Finally, one union timekeeper was allocated to each vessel to record all delays to work (see the discussion of the bonus system below).

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[4] Another position that was sometimes utilized in hold gangs was the 'call boy', on vessels with 'blind spots' where neither the winch operator or the hatchman were able to see the position of the cargo sling.

[5] At railways ports (such as Lyttelton) in the 1950s, 'ropemen' and 'capstan men' were also allocated. These watersiders were responsible for shunting railway wagons up and down the wharf using electric capstans.

[6] Like the shipwright, the tally clerk is an occupation that has roots in antiquity (see Casson 1991:141-50). In New Zealand the tally clerk originally constituted a separate occupation from that of the watersider. Tally clerks were organized in their own union and were not subject to the bureau system for a number of years. At Lyttelton, for example, employers had to request a tally clerk from the clerk's own office. In later years, however, tally clerks were accepted into the watersiders' union and were incorporated into the bureau system of labour allocation. This occupational structure is interesting for it demonstrates that how work is organized through particular occupations, rather than being prefigured by the labour process, is in fact a *social* process subject to how unions influence and organize labour markets, within the broad limits of legal regulation.

The master-stevedore, supervisors and foremen did not know the identities of the men who they would be allocated for any particular job. Generally, they would only find this out when they were given the 'Allocation of Labour Forms' by the bureau on the day that work was due to commence, although company managers frequently used their automatic right of entry to the bureau office to inspect the numbers of the watersiders they had been allocated (see below). These forms were then given to the foremen (the wharf foreman was given the wharf list and the ship foreman the ship list), along with the details of the vessel, and the cargo plan.

The master stevedore or supervisor would go to the bureau to advise whether the ship had arrived and hence whether the requisitioned gangs were in fact required. As a retired supervisor explained:

> when you went to the bureau you would see a board hanging up with all of the numbers on it. These were the men's bureau numbers, facing into the bureau. Now the men were on the other side. So then if you knew the ship was coming, and you wanted the men, then you told them to turn the board around. So that then the numbers went around and the men on the other side could see their numbers. (Interview)

Watersiders accepted their allocation by turning or lifting their discs which were displayed on engagement boards by the bureau, together with the ship, hatch and position in the gang that they had been assigned to. As I noted in Chapter 4, watersiders had to 'lift' or turn their discs within a certain time period which was stipulated in the port's bureau rules. Similar procedures existed for watersiders who had not been allocated to work to signify their attendance. At the Port of Lyttelton, for example, separate 'Not Wanted' boards displayed the discs of the men who had not been offered work. Acceptance of work was compulsory at all ports, and watersiders who failed to 'accept engagement were penalized, usually

by being suspended for a period of two to three days (depending on the port). Consequently, watersiders could not choose the employer that they were allocated to, and were not able to 'pick and choose' jobs.

Keeping the identities of the men obscured by having the engagement board turned inwards, together with the short period within which watersiders could signal their acceptance of work, was intended to prevent men from absenting themselves from undesirable work that they had been allocated to. This type of arrangement, intended to ensure work attendance, was not uncommon within waterfront systems of labour administration. While absenteeism is a perennial problem within industry generally (see Edwards and Whitston 1993), it was exacerbated on the waterfront by systems of work allocation that required workers to signal their acceptance of work, which to some degree allowed them to 'pick and choose' jobs (on Britain, see Turnbull and Sapsford 1992). Within such systems, this problem has been combatted in a variety of ways. For instance, Jensen (1964:170) describes a procedure that developed in Liverpool under the National Dock Labour Scheme whereby dockers were actually *locked* in hiring centers until the process of selecting men was completed.

In New Zealand, however, this system of engagement was not merely the result of the bureau or employers attempting to ensure work attendance. Rather, it had the support of the unions, as a necessary part of the work equalization process. As I noted in Chapter 4, the unions were responsible for introducing the penalty system to ensure compulsory acceptance of work, which was a crucial part of the process of enforced equalization of work. This union-sponsored and supported system of compulsory acceptance of work frequently was at variance with the interests of individual watersiders who wanted particular types of work, such as jobs that paid a high bonus rate, or wanted to avoid what watersiders referred to as the 'shit

jobs'. A former bureau allocator (Bert) at the Port of Lyttelton recalled the dissatisfaction of some watersiders with the job they had been allocated to:

> you just turned the board round and they'd take them [the discs] off. And once they took their number off the board, that was accepting the job. You could hear the numbers clattering into the tins, 'bloody bastards' and they'd be throwing them in. You know, some of the jobs they didn't like, if it was lamp black or something. (Interview)

Indeed some watersiders went to great lengths to circumvent the allocation system. Bert recalled the following attempt at circumvention:

> We used to hang the numbers up on the board on the Saturday for the Monday morning. And they'd [watersiders] come down and look through the cracks in the window and see if they had a good job or not. And if there was a bad job, say it was a cement job or something, they'd get their wife to ring up on Monday morning and say they can't come in. And then we used to hang sheets of newspaper over the boards and that would stop them from seeing it. (Interview)

To be sure, the unions' attempts to equalize the allocation of the 'collective job opportunity' were usually relaxed in the case of sick, injured or older members, for whom they would seek a special allocation. Indeed, some men could be permanently excused from performing certain types of work. A former Wellington Union official noted that:

> Within the Bureau System there was provision for adjustment and exemptions. . . . [Watersiders who] had some ailment or other . . . on production of a medical support could be excused - by the rules or by decision of the WIC manager - from working in dusty or cold conditions. However if total exemption was required this was a different matter and would be determined by the Port Conciliation Committee or the particular worker could be classified as B grade.[7]

[7] Personal communication.

Provisions also existed for men to legitimately take the day off in cases where they were indisposed through illness or injury. Additionally, men were able to take the day off for other reasons through prior notification of the bureau. As I noted in Chapter 4, there was a certain degree of 'flexibility' in this area because casual labour was able to be used to supplement the registered workforce. But because of the engagement system, men could not 'take the day off' *after* finding out the job that they were allocated to. Generally, when men took a day off, they gambled that they would not be allocated to a job that paid a high bonus rate, and hoped that they missed a 'shit job'. Conversely, some men took days off in anticipation of getting a better job the next day (i.e. attempted to turn the odds in their favour). For instance, in 1966 Waterfront Commissioner Bockett made the following comment in a letter to the General Secretary of the PEA (in relation to a situation at the Port of Whangarei):

> The variation in bonus and incentive payments made to each worker is, I understand, due entirely to 'the luck of the draw'. . . . We have had the situation where individual workers have deliberately taken a day off to avoid a small bonus job with the object of obtaining work on a high bonus job the following day.[8]

The more general point is that there are a variety of hiring systems that have developed in different industries to prevent employers having choice in who they hire, usually in the interests of equity in the distribution of work. These arrangements were not unique to the waterfront, the case of coal mining supplying a good example (see Beynon and Austrin 1994:149-53). But in the New Zealand context, the system was such that individual workers themselves could not choose which job (and employer) they were allocated to. This system of compulsory acceptance of work stands in stark contrast with the hiring-hall system which operates on America's West Coast where longshoremen have the right to choose and refuse jobs (see Kimeldorf 1988:111-112; and Finlay 1988:43-4). This

[8] Waterfront Industry Commission Records, W3472, Box 173, 5/473 (National Archives).

comparison highlights the specificity of the union-sponsored registration system which was institutionalized by the state in New Zealand. It also illustrates that the problems thrown up by this system were by no means common to all registration systems. In particular, these problems centered on the divergence of interests between the union and its members over the distribution of the "collective job opportunity" (Perlman 1928:9), which resulted from compulsory acceptance of work. As we shall see, these problems came to a head over the issue of bonus payments.

Because neither employers or workers had any choice in the allocation of labour, in a sense, they were randomly 'thrown together' at the point of production. In some cases, the actual allocation did not match the preferences of the employers or the watersiders, which resulted in some workers who did not want to be on a job (especially a 'shit job', like carbon black) and employers who did not want them there either. The dissatisfaction of watersiders with some of the jobs they were allocated to was mirrored by the employers' attitude towards some of the men.

Although employers had no control over the men who they were actually allocated, company managers had automatic right of entry to the bureau and on occasion checked who they were being allocated. As Bert (the former bureau allocator) commented:

> Some of the bosses would come in and they'd have a look . . . because they knew the bureau numbers as well as we did, they were used to them, and they'd have a look and say 'Oh Jesus, we got him, he's useless, he's a drunk'. (Interview)

When I asked Bert what a typical reply would be to such negative comments towards a watersider that he was in the process of allocating, he remarked that he would say something like: "Well his hours mean he's entitled to that job, so he

bloody gets it!". As I noted in the previous chapter, employers could do little formally to alter the allocation process, because it was administered by bureau officials who they had no control over.

Coupled with the inability to permanently sack men, the lack of control over who they were allocated was a source of acute frustration for some managers and foremen. A former manager of a small stevedoring company expressed his vexation in the following manner:

> there was no way you could sack anybody unless they fell off the winch blind drunk, there was little you could do about getting rid of them. You just had to put up with them. . . . They just went back to the bureau and got another job and so on. And you'd look at the labour sheet in the morning and think 'Ohh God, I've got him again'. And you knew before you went near it that there was going to be trouble. (Interview)

This allocation system also affected the relationship between companies and the workforce. Management, in the sense of management of labour, did not exist, because there was no labour to 'manage' except when gangs were 'employed' on a job. The sporadic nature of this relationship limited any attempt by managers and foremen to develop a rapport with their workers.

The fact that the bureau system precluded the employment of a permanent workforce by firms, and did not permit the existence of permanent gangs, gave rise to a constant 'reordering' of the workforce. Reconstituted at the beginning of every job, gangs were in a permanent state of flux; shipping and stevedoring companies, on the other hand, had a constant turnover of labour between jobs. Because of this 'randomizing' effect of the system of labour allocation, the only institutions that had any permanency or stability in relation to labour, apart from the Commission itself, were the unions. Neither the work-group or the firm

possessed this stability. The position of the union relative to individual firms was expressed in the following manner by a former manager of a stevedoring company:

> you had a casual labour force, with very powerful unions, who were working for faceless employers really. I mean they'd work for you today and someone else tomorrow, and so the common denominator was really the union. So everything that went wrong or every damn thing they went to the union. (Interview)

As this statement indicates, indirect employment resulted in a lack of identification with particular companies and identification instead with the local port union. Similarly, at a meeting of the Waterfront Industry Commission Captain Lawrence, an employers' representative, commented that:

> Sharing of labour made it difficult for any individual employer to get close to the men who work his ship.[9]

On the same issue, another employers' representative present at this meeting remarked that:

> permanent employment would be the answer but for a variety of reasons this had not come about . . . [because of] the existence of the Commission.[10]

Apart from non-permanent employment, the use of the individual, rather than the gang, as the 'unit' of work equalization resulted in an additional element of uncertainty and randomization for employers in that it prevented the existence of permanently constituted gangs. Work equalization schemes *per se* do not preclude the existence of permanent gangs. Within such schemes, entire gangs - rather than individuals - can be rotated between employers in accordance with the principles

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[9] This comment was made at a meeting (held on 14/2/78) of the Waterfront Industry Commission which had been reconstituted into a representative form by the Waterfront Industry Act 1976 (see Chapter 9). Waterfront Industry Commission Records, W3472, Box 48 (National Archives).
[10] Ibid.

of work equalization. For instance, a 'low man out' and a 'low gang out' method of work allocation coexisted on the San Francisco waterfront (see Mills 1979:129-30). As Finlay (1988:108) notes, these stable, self-selected gangs were predictable - foremen knew the gangs and where they would work most effectively on particular types of jobs.

However, under the union-sponsored method of 'individuating' the allocation (and equalization) of work within the bureau system, the gangs themselves were randomized.[11] Between jobs (and employers), gangs were constantly in the process of being composed, broken down and then recomposed. Each gang, therefore, was an 'unknown quantity' with respect to the levels of skill and effort that its members were collectively able or prepared to supply (although managers and foremen might be familiar with particular *individuals*). The position of watersiders within the gang could not be altered, and the gang itself could not be moved from the hatch that it was assigned to.[12] A foreman I interviewed expressed the difficulties which resulted as a variant of 'Murphy's Law': "the gang you wanted to work hard invariably would be the wrong one." Furthermore, insofar as they were neither self-selected or permanent, gangs in a sense were 'atomized' with respect to the internal dynamics of the workgroup. Gang leaders did not naturally 'emerge' over time, and the appointment of leading hands on

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[11] The broader point is that the actual organization of gangs as work groups was not predetermined by the nature of the labour process on the waterfront. Rather it was mediated by the manner in which unions sought to institutionalize system of labour administration which decasualized the labour market. In the case of New Zealand, decasualization was enforced as a form of work equalization which, as I demonstrate, had significant consequences for the structure of gangs.

[12] There were, however, three minor exceptions to this rule. When a gang had finished all of the work at a hatch, the foreman could transfer it to another hatch that was still working, so that there would be two gangs in one hatch. Also when the meal hour was being worked, a foreman could transfer a gang to another hatch until the assigned gang returned from their break. A limited degree of flexibility also existed in unloading cargo on deck. If the foreman wanted to send a gang down into the hold immediately at the beginning of a job, he could assign another gang to move the cargo on top of its own hatch as well as on top of the hatch of the gang that been sent down below. However, once gangs commenced work in the hold, the positions on the labour allocation list had to be rigidly adhered to.

some jobs by foremen was often a source of tension within gangs (see section four).

Parenthetically, it can also be noted that constantly rotating workers between jobs and positions did not support 'occupational subcultures' (Trice 1993) - such as the ship / shore distinction - to the same degree as in other countries. This distinction was typically based on the varying levels of skill required for the different types of waterfront work, and in Britain it formed the basis for different types of gangs (see Lovell 1969:37-57; and Turnbull et al. 1992:38). In Japan, historically, it even came to be expressed in and through specific cultural codes of the different groups of waterfront workers (see Leupp 1992:133-4). The bureau system, however, militated against such distinctions because workers were allocated to different positions on different jobs, which to a certain degree had a 'homogenizing' effect with respect to levels of skill. Apart from differences in qualifications of watersiders within the bureau system (such as winchmen and hatchmen), to the extent that there were differences in levels of skill between individuals this was not taken into consideration in the allocation process. As Bert (the former bureau allocator) put it, "Every man was treated equal, even the sluggards and the dullards, they were exactly the same as the best workers." (Interview)

Although this system of work rotation may have been important in fostering and perpetuating a sense of 'community' within a port as a whole, in the manner that Mills (1976, 1979) argues occurred on the San Francisco waterfront, the familiarity of the men with each other (the 'nodding acquaintance' as Mills puts it) did not guarantee that the gangs cohered on the job. While work rotation was undoubtedly a source of solidarity amongst the workforce as a whole, it did not automatically translate into workgroup coherence. This was particularly the case at ports such as Wellington, which had high rates of labour turnover. Furthermore, the sheer size of the workforce at some ports meant that the same men did not

work together very often. While at smaller ports (such as Whangarei and Picton) there would be the same men in gangs all the time, at the larger ports (such as Auckland and Lyttelton) men would work together only infrequently. The following anecdotal example nicely illustrates this point: a watersider who I interviewed said that he had worked with a friend of his only once in his thirty years on the Lyttelton waterfront.

However, the fact that the employers did not systematically challenge the use of the individual as the 'unit' of work equalization suggests that, with respect to control of work, permanently constituted gangs were not as much an issue for the employers as the indirect employment relationship itself (as the comments cited above attest to). It appears that the more fundamental problem, from the employers point of view, was work rotation *per se* rather than the rotation of individuals as such. A former General Secretary of the Waterside Workers Federation, Ted Thompson, commented that:

> There was no move to want a gang system of any significance. The employers often wanted permanent work but on greatly inferior conditions, and if this had been agreed regular gangs within such a system would probably have eventuated. . . . The question of permanent gangs on ordinary waterside work was never an issue within my experience 1946-1980 and certainly never a dispute matter.[13]

This latter point is borne out by the fact that no disputes over this matter appear in the decisions of the Waterfront Industry Tribunal.

Nonetheless, the Waterfront Commissioner himself was prompted to comment on this matter at a meeting between the Foremen-Stevedores Union and the Minister of Labour in 1960. Commissioner Bockett remarked that:

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[13] Personal communication.

> The method of contracting for the work would be better if the watersiders were working in gangs. If the leader of the gang said at the start of the job 'Here is your cheque' now the shipowner would be very pleased with the quick turnaround of his ship instead of the job stretching out so many more days. The contracting system would not carry any 'drones'.[14]

Furthermore, despite the fact that the Port Employers Association did not mount a *concerted* challenge to non-permanent gangs, they did pose problems for *individual* employers, managers, and foremen. For instance, in 1961 the Inter-Island Shipping Company at Wellington sought the PEA's support in securing an agreement for a permanent gang. However the PEA Management Committee declined this request, stating:

> it was felt that any attempt by the Company to apply to the Tribunal with a view to obtaining permanent gangs would be liable to cause industrial unrest. That while the Association agreed with the principle of permanent employment by individual companies it had long recognized that it would be impracticable for all to follow this course.[15]

This case is also interesting insofar as it suggests that part of the reason why there never was a concerted challenge to non-permanent gangs was because of the fear of the disputes that it would be likely to provoke. Because of their trenchant support of the system of *individualizing* the allocation of work, the unions *ipso facto* were opposed to any move to introduce permanent gangs. Hence the employment arrangements under the bureau system were accepted by the employers as a *fait accompli*.

Any attempt to deal with how employers resolved the difficulties of labour control referred to above necessitates confronting the thorny issue of 'strategy': whether

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[14] Waterfront Industry Commission Records, W3864, Box 67, 9/5/8 (National Archives).
[15] Minutes of PEA Management Committee Meeting 298, 16/9/61. Port Employers Association Records, 89-395, Box 202 (Alexander Turnbull Library, NLNZ).

employers' actions in securing effort were part of some fully formulated design or simply pragmatic responses to situations and events. Indeed the very existence of a strategy cannot be taken for granted because, as Edwards germanely observes,

> Any employing organization will use a range of ways of persuading workers to work, some of which, moreover, may stem from a series of 'ad hoc' adjustments and not from any deliberate policy; the extent to which any one firm has an articulated strategy of labour control is thus questionable, and the idea that all firms of a similar type are characterized by the same strategy is even more questionable (1986:3).

Discerning whether actions by employers are part of a 'strategy', or merely 'ad hoc adjustments' to circumstances, is beset by the same problems as any sociological attempt to attribute motives and meanings to actions (for an extended discussion of employer strategy, see Marchington and Parker 1990:57-75). Although Edwards' caveat should be heeded, I will argue that such 'ad hoc adjustments' and approaches to the problem of 'labour control', while they may not have been fully formulated and coherent, did over time crystallize into, if not a full-fledged 'strategy', then at least a 'pattern' which characterized the actions of waterfront employers at the level of work relations.

Furthermore, although securing the desired levels of effort was the province of individual firms, most did not confront these problems as atomized actors, but rather as members of the Port Employers' Association. However, as the example regarding permanent gangs demonstrates, this type of 'externalization' (or 'delegation' of responsibility to an organization "outside the firm" (Gospel 1992:9)) was both *constraining* as well as enabling. Employers all faced similar problems of securing worker performance, but attempted to resolve this in different ways at the local port level, and in some cases their 'strategies' were blocked by the PEA (as in the move to secure permanent gangs referred to above).

This dimension of 'strategy', the extent to which it was formulated at the national level and shaped and set limits upon individual employers' actions at the local port level, is one of the issues that will be addressed in the sections which follow.

(3) Management Through the Wages System

In the main, the problems that employers faced in securing effort were resolved not through supervision, but rather through the wage-form, with employers displaying a preference for measures such as incentive schemes over direct supervision. As Rubery (writing in another context) comments, this strategy broadly centers on the use of "pay instead of supervision to maintain output standards" (1988:253) or what Trist et al. (1963:36) refer to as "management through the wages system". However, to the extent that the wage-form strategy met only limited success, the issue of work performance *did* largely resolve itself into the relationship between foremen and gangs. Central to this relationship were negotiations over "the terms of the effort bargain" (Edwards 1986:74). This is not surprising for, as Baldamus (1961:36) argues, "it is possible to visualize the process of supervision as a method of bargaining between workers and supervisors (or managers)". For foremen, however, this process had many pitfalls. As I will demonstrate, the foreman was the actor on the employers' side that the tensions generated by the resulting pattern of work relations were refracted through. Consequently, the foreman on the waterfront occupied a position reminiscent of the "man in the middle" (Child 1975:72) in manufacturing.

The payment system was based on time-wages at a standard hourly rate. However, attached to the time wage was a variable component which was composed of bonus payments, along with rates negotiated over and above the hourly rate, and allowances. To a certain degree, the inherent diversity and non-standardized nature of break-bulk cargo (and the attendant labour process) is

conducive to the development of complex payment systems. I am not claiming that there is a 'logic' to the labour process that predetermines the nature of payment systems, merely that the nature of the labour process provides the opportunity for such arrangements. The degree to which they develop is the outcome of a social process, conditioned by the relationship between employers and workers. It is to specifying this relationship with respect to one particular aspect of the wage-structure - the bonus system - that I now turn.

(3.1) The Bonus System

The bonus system is the first of the arrangements that I will deal with which was introduced by employers to 'compensate' for the indirect employment relationship. I will deal with this first because it was logically prior in the order in which work was organized. Bonus rates were determined prior to a job beginning and before watersiders were allocated to employers; hence they were not amenable to negotiation or alteration. However, despite fixed bonus rates, there was an element of bargaining that crept into this system regarding the length of delays, which crucially affected bonus payments. I will begin with a description of the bonus system and then proceed to an analysis of its effects.

Two types of bonus systems operated on the waterfront during the 1950s and 1960s. The first had its origins in the system of 'cooperative contracting' introduced by the Waterfront Control Commission (the wartime antecedent of the Waterfront Industry Commission) in 1940 (see Baker 1965:396-7). Some employers (both at the port level and individually) subsequently supplemented this system by introducing their own incentive schemes.[16] Both Waterfront Industry Commission cooperative contracts and employers' incentive schemes were intended to 'compensate' for the indirect employment relationship. These systems

[16] The cooperative contracting system persisted with some minor alterations until 1970 when, along with employers' incentive schemes, it was replaced with a new incentive contract system provided for in Principal Order 306.

were intended to combat the levelling and averaging effects of a system of work equalization by reintroducing differences in pecuniary reward into the employment relationship. In short, the bonus (in its various forms) was an element in an employer strategy to elicit effort which centered on the wage-form.

However this latter claim must be elaborated upon in relation to cooperative contracts, because the cooperative contracting system introduced by the Waterfront Control Commission had the former Waterside Workers Union's support.[17] Furthermore, the employers were largely critical of this system. How, then, could the cooperative contracting system be part of an employer strategy which was ultimately designed to achieve higher levels of effort? The key to this paradox is the employer-sponsored modifications to this system which occurred in the wake of the 1951 waterfront dispute. These changes resulted in the cessation of the practice of 'pooling' bonus payments at the port level. Hence while the Union supported the cooperative contracting system, and the employers neither introduced it nor supported it, modifications that were made to this system after 1951 brought it within the ambit of the employers' strategy which centered on the wage-form. A brief description of this bonus system is warranted before considering these modifications in greater depth.

Cooperative contracts were administered by the Commission and operated at all except a few of the minor ports.[18] The cooperative contracting system was

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[17] The Union had originally sought the establishment of a full-blown system of 'cooperative stevedoring', as is evident in a report of an executive sub-committee which was presented at the Union's conference in 1937 (see Fernandez 1969:96). Under this system, the Union's local branches would contract for the work of loading and unloading vessels, supply from labour from their own ranks, along with watersiders who would act as foremen, and the profits earned would be distributed amongst their members (see Roth 1993:71). However, as Roth (ibid:79) notes, the cooperative contracting system established by the Waterfront Control Commission "was not the cooperative stevedoring by union members visualized earlier, but a sort of halfway house between that and payment by results." Nonetheless, the Union was generally supportive of this system (see Norris 1980:112).

[18] There were no cooperative contracts at the ports of Whangarei, Onehunga and Oamaru. However, there were employers' incentive contracts at these ports.

exceedingly complex. There were separate Commission staff, and at the larger ports (such as Lyttelton) separate offices, for the purposes of administering the system. The Commission administered the cooperative contracting system through a specially created fund (the Port Unions Stevedoring Fund). The Commission also administered employers' incentive schemes and 'equivalent contracts' through this fund.[19] There were three separate types of cooperative contracts: those for overseas vessels, contracts for Union Steam Ship Company vessels, and contracts for small coastal vessels. Under this system, cargo was grouped into broad classifications and a contract rate set for each class of cargo.[20] The rate was calculated on the basis of average rates of work within a specified time period at each port. Because of inter-port differences in levels of productivity, contract rates for the same classes of cargo differed between ports.

In essence, the Commission determined a contract rate for a job. On the completion of the job, the Commission billed the shipping (or stevedoring) company in question at the contract rate, along with the cost of basic wages, rates, overtime payments, levies and so forth. As the report of a Commission of Inquiry into the 1951 dispute noted:

> The ship pays the contract price plus overtime rates, minima, special payments and suchlike. The Commission then treated what remained, after deducting wages paid and some other items[,] . . . as a profit or bonus payable to the workers (Royal Commission of Inquiry 1952:51).

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[19] 'Equivalent contracts' were contracts with agencies such as Harbour Boards and the Railways Department where "waterside workers were employed by these bodies to perform work in conjunction with vessels under direct contract" (WIC Report 1949:12).

[20] The actual classifications differed between the various types of contracts. For overseas vessels, as at 1954, the categories for discharged cargo were as follows: general cargo, basic slag, and cement. The categories for loaded cargo comprised the following items: general cargo, hides, tallow, wool, fruit, butter, cheese and meat (mutton and lamb). It is important to note that these categories were revised from time to time to take account of new commodities, such as bulk sulphur and bulk phosphate, which were subsequently added to the 'discharged' category. On the other hand, the contracts for Union Steam Ship vessels and coastal vessels comprised the single category of 'general cargo'.

The Commission of Inquiry noted with respect to the distribution of bonus payments in the period prior to the 1951 dispute, that "The Commission followed the instructions of the union." (ibid:51). This is because cooperative contracts, first and foremost, were based on an agreement between the Commission and the Union. Before the 1951 dispute, most of the Union's branches had been able to secure their members' consent to pool the bonus. However at the Port of Lyttelton in the 1940s agreement could not be reached to pool the bonus (see Norris 1980:120-21). In this case, the Union branch (which sought to equalize the 'distribution of opportunity') was pitted against a substantial portion of its rank and file members who, as individuals, supported the substantial variations in earnings which resulted from differences in bonus rates.

The method of bonus payment is a key issue, because it was central to the strategy of employers at all ports after the 1951 dispute. The problems the Union experienced at Lyttelton prior to the dispute were by no means unique, because after the employers' move to cease the pooling of bonus payments it took a number of the (new) port unions several years to regain their members' consent to pooling arrangements. Before dealing with these developments, however, I will outline some of the sources of employers' dissatisfaction with the cooperative contracting system.

The crucial variables which affected bonus payments were 'winch time' and cargo volume (i.e. the volume of cargo moved 'over the rail' within a certain time period). Consequently, a system evolved for keeping a detailed record of delays ('non-productive' time when cargo was not being 'worked'). As well as tally clerks who tallied the cargo, and were common to most ports worldwide, the bonus system resulted in the additional actuarial position of 'union timekeeper' (also known as the 'check timekeeper') who kept a record of all delays which

affected the bonus.[21] As their title suggests, timekeepers were selected by the local union. Generally they were experienced and trusted union members, which is understandable given that the records they kept crucially affected the level of bonus payments.[22] Initially, in the 1940s, union timekeepers were paid from the bonus pool itself. As a former timekeeper recalled:

> it was the first call on the bonus at one time. In other words, the timekeeper's wages came out of the bonus pool. Before any payout could be made, the wages had to be paid. So therefore the timekeeper had an interest in earning the bonus, virtually because he was earning his own wages. But that didn't last very long. (Interview)

Subsequently union timekeepers were paid from the Commission's general revenue, but they usually received a share of the bonus, along with any rates (such as dirt rates) negotiated on the job, which again gave them a material interest in bonus payments.

Delays were classified into three types: management delays (which included items such as machinery breakdowns, and awaiting cargo or equipment), operational delays (which included rigging gear, removing and replacing hatches, cleaning, and dunnaging) and award (union) delays (such as weather delays and 'walking time'). An abbreviation was included for each particular type of delay within these broad categories which the union timekeeper had to enter in his time-book. A former timekeeper (Bernie) provided the following description of his job:

> We provided the times for those three categories, for every gang on the ship. So, in other words, say it starts at seven o'clock in the morning, you would have say five gangs, maybe seven gangs. And you had a separate page for each one, and you would note all the

[21] The 'union timekeeper' is not to be confused with the 'company timekeeper', whose role was to consult with the bureau over matters of labour allocation, and who played no role in the bonus system.

[22] Union monitoring of 'payment by results' systems is not uncommon. For the case of coal mining, see Beynon and Austrin (1994:95-100)

> delays over ten minutes, and you would assign them to the various categories which in turn were broadly embraced by those three [categories]. . . . The time that the cargo was going back and forth was regarded as working time, and any time where those winches weren't working was regarded as delay. (Interview)

The specific form that this bonus system took, particularly the detailed recording of delays which yielded the union timekeeper's role, was a consequence of the non-linear and non-standardized nature of the labour process which rendered it prone to delays. Similarly, specific types of problems and 'fiddles' (Lupton 1963) developed which were unique to this system. The Waterfront Industry Commission identified the main problem in one of its annual reports:

> Bonuses are only earned while cargo is being discharged or loaded, the non-productive time being paid for on a wage basis. There is, therefore, not only no incentive to the worker to assist in the reduction of non-productive time but an incentive for the union timekeeper to meticulously record non-productive time which reduces the cargo working or winch time and has the effect of increasing bonus payments (WIC Report 1967:7).[23]

Indeed, the most common way of 'fiddling' the bonus system was by exaggerating delays. A retired foreman I interviewed was adamant that some timekeepers went beyond 'meticulously recording' to actually exaggerating delays. The foreman had to validate the delays by signing the union timekeeper's time book at the end of the day, which often left him in the difficult position of having to accept delays which he felt had been exaggerated. He said that:

> the foreman had to sign it if he could say that delay was justified. Well if you've got six gangs working and you're down this hatch, and then you're down that hatch and you're doing something else. And somewhere in there its added in that there's been four half hour delays . . . . They could say 'waiting for gear' or 'breakage', or

[23] Indeed during the 1950s and 1960s the Commission consistently advocated "a review of the existing co-operative contracting and incentive payment schemes to provide a contract rate for non-productive time and thus provide an incentive to the worker to reduce non-productive time within his control" (ibid:7-8).

> something like that, and you knew it happened but you're sure it wasn't half an hour. (Interview)

While he would be unlikely to admit to exaggerating delays, Bernie (the former timekeeper) recalled frequent disagreements over delays:

> at the end of the day a company official had to sign your list of delays, so he had to agree with them. So that led to many an argument. They would refuse to sign them, then it went to mediation. (Interview)

The Port Employers Association took the same view as the foreman quoted above, that delays were in fact exaggerated:

> There is little doubt, in our view, that the presence of the men's own Check Timekeepers on the job, and the careful coaching they have received in building up delays, which, in many cases are fictitious, had been one of the most iniquitous features of the present contracting system.[24]

As a result, the PEA sent their own observers to record delays at Auckland, Wellington and Lyttelton in 1957, and it was reported that the delays recorded by the check timekeepers were "appreciably higher" than those recorded by the observers.[25]

Thus the employers were critical of this system largely because of the 'fiddles' that it supported. Such problems were one of the reasons that employers preferred their own incentive schemes to cooperative contracts. But despite these fiddles and problems, employers sought to improve this system by ceasing the pooling of bonus payments, thereby rendering them more 'visible' to *individual* watersiders. This is how, despite the employers' preference for their own schemes, cooperative

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[24] PEA Annual Report (1957:5). Port Employers Association Records, 89-395, Box 129 (Alexander Turnbull Library, NLNZ).
[25] Ibid.

contracts became part of their strategy which centered on reintroducing differences in monetary reward into the employment relationship.

The debates over the relative merits and weaknesses of the cooperative contracting system were rehearsed at length in the report of the Commission of Inquiry in 1952. Primary among its findings was that "the pooling of the bonus destroyed individual incentive" (Royal Commission of Inquiry 1952:55). The pooling arrangements were the result of an agreement between the Waterside Workers Union and the Waterfront Industry Commission. Consequently, the establishment of 'new' unions in the aftermath of the 1951 waterfront dispute provided a 'window of opportunity' for the Waterfront Industry Commission, acting on the findings of the Commission of Inquiry and with the support of the PEA, to eliminate the pooling of bonus payments. Under the new arrangement, the bonus was generally paid weekly to watersiders for the ships they worked on in that period.[26]

However, some ports 'slipped through the net' after the new unions were established. The employers' opposition to pooling bonus payments was complicated by the role of the Commissioner who, without consulting the PEA, authorized pooling at a few of the smaller ports where the local unions had secured an agreement amongst their members to reintroduce this practice. At a meeting at the Port of Tauranga, which was convened in 1964 to discuss a call for pooling from the Tauranga Union, the General Secretary of the PEA Viv Blakeley commented:

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[26] It must be noted, however, that the bonus paid to the individual was a share of the total bonus earned by all gangs on each *vessel*. In a sense, then, the bonus was still 'pooled' but only for each vessel (and not the whole port); thus it was a group bonus system (the 'group' being all gangs on the ship). As I note below, the employers attempted to reduce even further the level at which the bonus was aggregated, to that of the gang.

> I accept that it [the bonus] has been pooled in a number of ports against the wishes of the Port Employers by reason of the fact that under WIC Contract - in the administration they are able to do it.[27]

For instance, shortly after the 1951 dispute the Timaru branch of the PEA declined the local union's request to pool bonus payments, but the Commissioner became involved and the matter was referred to the Port Conciliation Committee which ultimately resulted in a decision in favour of pooling (despite the local employers' opposition). Similarly, by 1956 the local unions had managed to secure pooling arrangements at Dunedin, New Plymouth, Greymouth and Gisborne. Again this was carried out despite the opposition of the PEA and its local branches. As the PEA's 1958 Annual Report states:

> The Association has . . . always been opposed to the pooling of bonuses because it destroys the incentive to the individual to perform better work.[28]

The PEA then attempted to prevent pooling at any more ports, particularly at the three main ports of Auckland, Wellington and Lyttelton. Employers' representatives even met with the Waterfront Commissioner to seek an agreement that he would not act in this matter without first consulting them.[29]

Conversely, throughout the 1950s and 1960s the local unions continually sought to get their members to accept pooling and numerous secret ballots were held on this issue at the remaining ports.[30] The ports where the majority of watersiders

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[27] Port Employers Association Records, 89-395, Box 29 (Alexander Turnbull Library, NLNZ).

[28] PEA Annual Report (1958:4). Port Employers Association Records, 89-395, Box 129 (Alexander Turnbull Library, NLNZ).

[29] On the issue of how bonuses should be paid, the General Principal Order (the national agreement, that is) was silent. To be sure, GPO 23 contained a clause which allowed for the continuance of the cooperative contracting system and for other incentive schemes to be introduced. However, it did not stipulate how these systems should be organized.

[30] At the larger ports, the results of these ballots clearly demonstrated that the majority of watersiders did not favour pooling. A secret ballot held in Auckland in 1960 resulted in 570 votes 'for', and 970 votes 'against' pooling. Another ballot held in 1962 produced a similar result. Similarly, a ballot held at Lyttelton in 1961 resulted in pooling being defeated by 2:1. When

consistently opposed included the three largest, but also a number of the smaller ports.[31] The following extract from the Waterfront Worker (the South Island Federation's journal), written by a union member at the Port of Napier, provides the rationale for the pooling of bonus payments. He begins by noting that some watersiders at this port received substantially more money that others:

> This was not because one man worked harder than the next, but because some had 'runs' of work on ships which had types of cargo that earned more by incentive. This caused those who were on lesser paying ships to be envious of the others. . . . It was not a good state of affairs to have one member jealous of the next. As the Bureau allocates the jobs on hours worked, it was not possible to even up this monetary imbalance through that source. Logic then had it that the men working on one ship, in fact pool that ship's bonus . . . [and] that if <u>all</u> these profits from <u>all</u> ships were held for a period and then paid to each man on the bureau register equally for the time he had been available for work, all would receive a just share.[32]

Thus the issue in question was similar to the one identified by Sayles (1957) in his classic study of incentives (albeit in a factory setting): attempts by unions to eliminate the rivalry amongst workers under incentive bonus schemes which resulted from disparities in the 'relative earnings' of workers. As Sayles (ibid:101) insightfully observed, "relative earnings are as important if not more important than the absolute level of earnings."

As I noted above, the PEA was vehement in its opposition to bonus pooling. At the time of a secret ballot at Lyttelton in 1963, Viv Blakeley (the PEA General Secretary) wrote in a letter to the Secretary of the local PEA branch, that: "I can only hope that the move to pool bonuses in your port will meet with the same fate

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pooling was finally accepted, at most ports it was only by a narrow margin. Port Employers Association Records, 89-395, Box 92 (Alexander Turnbull Library, NLNZ).

[31] The smaller ports were as follows: Tauranga, Whangarei, Napier, Opua, Picton, Raglan, Onehunga and Oamaru. Pooling was achieved in Napier in 1959 and in Whangarei in 1967. At the remaining ports, including the three largest, bonus payments were not pooled until 1968.

[32] *New Zealand Waterfront Worker*, August 1965.

that it encountered on previous occasions."[33] Even after ballots in favour of pooling, the PEA sought to stall its introduction, as the following quotation from a letter from Blakeley to the Tauranga PEA Branch Secretary indicates:

> We shall, of course, at this end do all we can to oppose implementation of the Union's vote in favour of pooling bonuses, and we will rely on you to do likewise at your end.[34]

The employers also sought to retain a minimum of time between watersiders earning and receiving bonus payments. For example, in 1957 the union at the Port of Oamaru requested that bonuses be paid three monthly rather than weekly. The Industrial Superintendent of the Union Steam Ship Company wrote to the Company's Branch Manager, stating that:

> We prefer the payment to be weekly so that the men will relate their bonuses to the particular job of work performed. . . . If the men are unanimous about wanting the quarterly payment we would accept the position provided that some arrangement is made by posting a list or advising each man of the bonus accruing on each job as soon as it is worked out.[35]

What this case demonstrates is that, from the point of view of individual employers, it was the 'visibility' of bonus payments that was important. Similarly, the local branch of the PEA accepted the Company's proposal, as long as it did not lead to the pooling of bonus payments. At the national level, however, the PEA took a much firmer line, and wrote a letter to its Oamaru branch declining the proposal. It stated:

> The NZPEA prefers these payments to be made . . . as soon as possible after the job has been done. . . . It is essential of a true incentive scheme that the men who actually perform the work

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[33] Port Employers Association Records, 89-395, Box 92 (Alexander Turnbull Library, NLNZ).
[34] Ibid.
[35] Ibid.

> should be able to associate the extra work done and receive the direct reward for their efforts as soon as possible after the event.[36]

This is a case in point of 'externalization' at work, of 'strategy' being formulated at the level of the national organization, rather than the firm or even the port.

As well as opposing the port-wide pooling of bonus payments, the employers also sought to reduce even further the level at which bonus payments were aggregated, from the vessel down to the level of the gang. The following comment by Viv Blakeley was recorded in the minutes of a meeting with the Tauranga Union in 1964:

> Though you would like the pooling of a bonus, the policy of the PEA has been to try and bring it down to a gang basis, rather than a ship basis . . . as closely as possible to individual effort. . . . We believe in incentive and the whole fundamental basis of incentive is to try to reward the fellow who puts his best foot forward. We do get as close as we can to it - would like to get closer.[37]

Indeed, the whole aim of the changes that employers sought to make to the bonus system was to increase the "transparency" (Littler 1978:197) of bonus payments to the individual, to make more "explicit the relationship between effort and rewards" (Edwards 1986:239). In this sense, the employers tried to render the cooperative contracting system more like a piece-rate system, in terms of its 'visibility' as an incentive, but without the ability to negotiate on the job over rates.

As I noted above, employers generally preferred their own incentive schemes to the cooperative contracting system. Initially, employers' incentive schemes operated only at Auckland and a few of the minor ports where there were no

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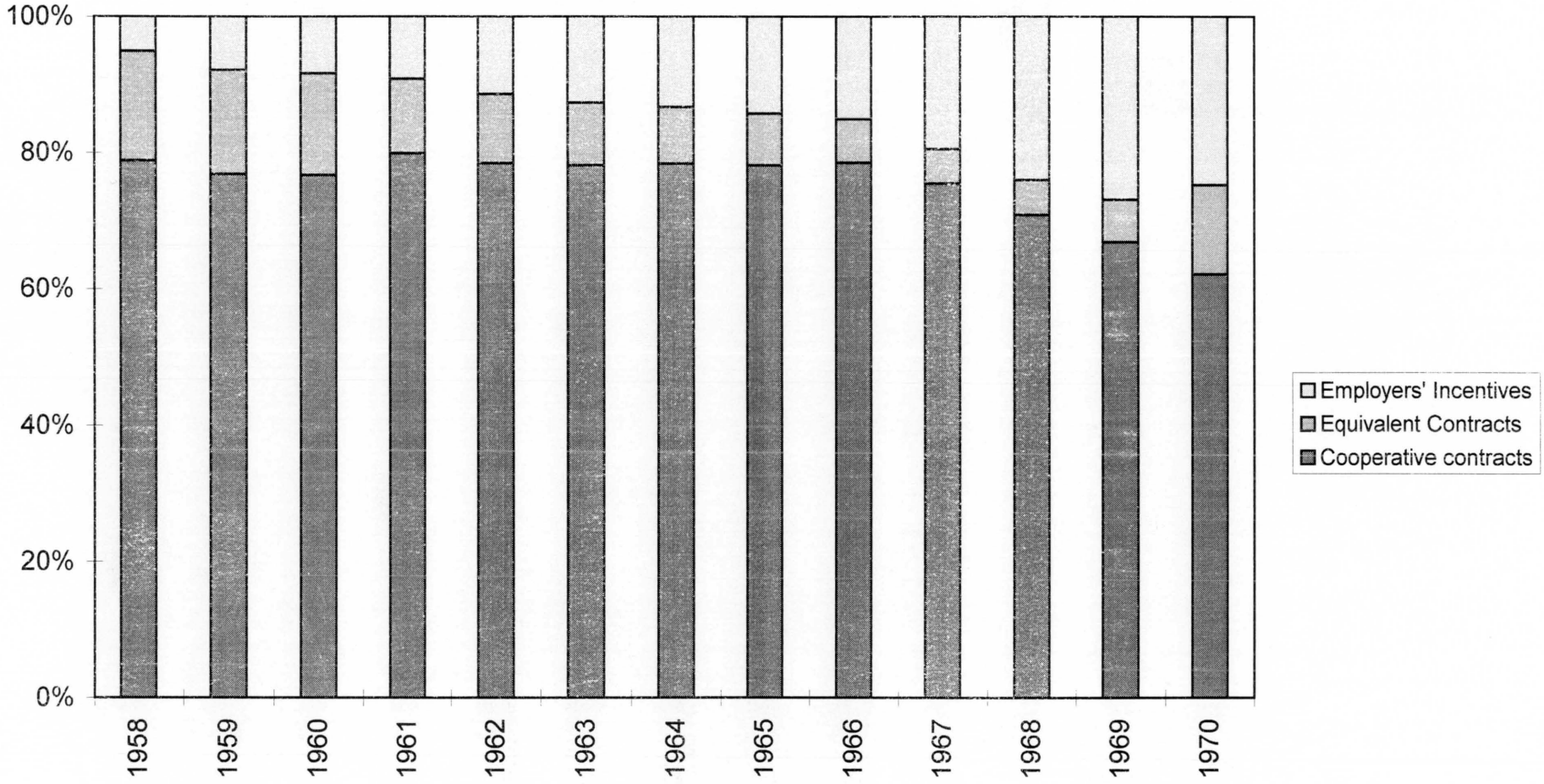
[36] Ibid.
[37] Ibid.

Graph 6.1 Incentive Contract Schemes (% of Payments to Total)



cooperative contracts. However, as Commissioner Bockett remarked in 1960, "The shipping companies were anxious to introduce incentive payment schemes at all ports and for payment of profits to be made on a hatch or ship basis each day."[38] By 1964 these schemes had been extended to Auckland, Wellington, Port Chalmers, Opua, Tauranga, Whangarei, Onehunga, Raglan and Oamaru. In the absence of records on the absolute number of employers' incentive schemes, some indication can be gained by comparing the proportion of money paid out under them relative to other types of incentive contracts (see Graph 6.1). Employers' schemes varied considerably and were not subject to the same arrangements as cooperative contracts (regarding the union timekeeper and so forth). For instance, at the Port of Tauranga in 1956 the Union Shipping Company had its own scheme where bonus payments were calculated on a tonnage rate and paid per vessel. Other schemes related to specific types of cargo. In 1968 a scheme was established (under Principal Order 298) by employers at Tauranga for the loading of butter. Others, such as the schemes at the minor ports, related to the port as a whole.

At some ports, however, even these schemes became subject to the union drive to pool the bonus (although, unlike the cooperative contracts, agreement had to be secured with the PEA before pooling could occur). Not surprisingly, the employers resisted this move. For example, an employers' representative maintained that:

> At Tauranga the Employers' Incentive Scheme provides a good incentive to the men, more so than the co-operative contract system operating at other ports. . . . If the bonuses are pooled then the incentive is destroyed, which would result in a lower rate of work.[39]

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[38] Commissioner Bockett made this remark while addressing the South Island Waterfront Workers Federation Conference in 1960. New Zealand Waterfront Workers Union Records, 92-305, Box 1/14 (Alexander Turnbull Library, NLNZ).

[39] Memo from J. Twomey to PEA Management Committee, 22/1/64. Port Employers Association Records, 89-395, Box 92 (Alexander Turnbull Library, NLNZ).

However, in 1967 the PEA was forced to accept pooling of the bonus at this port because of a threat by the local union to attempt to displace the employers' incentive scheme by seeking from the Commission the introduction of cooperative contracting. A manager of one of the local stevedoring companies wrote to the local PEA Chairman, stating:

> I have no need to remind you of the evils attendant on the cooperative contract system. In the first place we will have a Union timekeeper whose full-time job will be to record delays.[40]

The fact that the local employers were prepared to trade off the pooling of bonus payments to prevent cooperative contracts from being introduced indicates the extent to which they preferred their own incentive schemes, and the lengths that they were prepared to go to in order to retain these schemes intact.

In 1967 the unions at the three largest ports (Auckland, Wellington and Lyttelton) secured agreement from their members to pool all bonus payments. The PEA's Management Committee, realizing it was fighting a losing battle, sought opinions from its local branches at the ports where the bonus was pooled as to its effects on effort. Interestingly enough, it received mixed reports about the effects of bonus pooling. While pooling may have weakened the level of individual incentive at some ports, at a few of the smaller ports (such as Nelson and Timaru), it appears that pooling resulted in the local union acting as a 'collective foreman', collectively regulating the levels of effort supplied by its members. Indeed, in his letter to the national Chairman, the Secretary of the Timaru PEA stated that "the Union as a whole oppose slackness in the individual workers who might adversely affect the bonus earned."[41] However the collective regulation of effort by the

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[40] Port Employers Association Records, 89-395, Box 92 (Alexander Turnbull Library, NLNZ).
[41] Ibid.

union does appear to have been largely limited to just a few of the smaller ports. In any case, a PEA Management Committee meeting in December 1967 resolved that, although the PEA opposed pooling, in view of the favourable union ballots at the large ports local PEA representatives were authorized to agree to the pooling of bonus payments.[42]

Summary

Despite employers' attempts to render the bonus system more 'transparent', in order to more clearly relate "effort to earnings" (Littler 1978:197), the bonus system at best worked unevenly to promote effort. The fact that it only met with limited success and, at least in the case of cooperative contracts was 'fiddled', is not surprising - particularly in view of the findings of the classic sociological studies of incentive schemes (Roy 1952, 1953, 1954; Whyte 1955; Lupton 1963) which demonstrated that these schemes usually do not work as they were intended.

Furthermore, irrespective of the degree to which it promoted effort, the bonus system introduced a set of tensions at another level. As part of an employer strategy centering on the wage-form which reintroduced pecuniary difference into the employment relationship, it cut across the unions' attempt (through a system of compulsory acceptance of work allocation enforced by a penalty system) to equalize the share of 'collective job opportunity' (to use Perlman's phrase). This introduced tensions between the unions and their members insofar as the unions did not control the amount of bonus payments received by individuals, and individuals actively sought to maximize their "opportunity to earn bonus" (Whyte 1955:79). The local unions were only able to resolve the tension by pushing for the pooling of bonus payments. To recap, this was a particular problem which arose from the way that an indirect employment relationship was institutionalized

[42] Minutes of PEA Management Committee Meeting 428, 13/12/67. Port Employers Association Records, 89-395, Box 203 (Alexander Turnbull Library, NLNZ).

under the bureau system, the specific problems of control that this mode of institutionalization engendered, and the attempts by employers to resolve them.

Although the bonus system was the most significant element in the employers' strategy of carrying out 'management through the wages system', workplace bargaining over rates constituted another part of their attempt to secure effort through the payment system. In the next section I will examine the process of informal wage bargaining which took place on the job.

(3.2) Workplace Bargaining and Rates

While the bonus system was 'non-negotiable' (apart from delays), there was considerable scope for bargaining by gangs over 'rates' for 'special cargoes'. Because wages were taken out of competition nationally via the national document (the GPO), apart from bonus payments individual firms could only introduce wage differences by *increasing* payments over and above the standard hourly rate. Over time, there evolved a detailed set of standardized rates for 'special cargoes' which were incorporated into the GPO.[43] Despite standardized rates being codified in the General Principal Order, there was still considerable room for workplace bargaining.

The rationale for standardizing rates and codifying them in the national industrial agreement, as in the case of all standardized wage-payment systems, was undoubtedly to eliminate on-the-job haggling over rates by leaving nothing to bargain over. To this end, the standard 'book rate' was automatically granted whenever a particular class of cargo was being worked by a gang, with the

[43] The relevant section in GPO 24 (which came into force in 1953) states that 'Special Cargo Rates' were intended "to cover all inconveniences due to dust, dirt, discomfort or other incidentals in connection with the loading or discharging of . . . [special] cargoes". There were over 100 separate items listed, along with a rate for each, ranging from barbed wire, carbon black and coal, to pigs, pumice and wheat. By the time that GPO 198 was negotiated in 1962 there were more than 200 types of cargo that had a rate attached to them.

provision that the rate could not be departed from save in "exceptional circumstances". In practice, however, book rates became only the starting point in negotiating a rate for a job, which resulted in the 'worst of both worlds' with respect to codification and informal on-the-job bargaining. Indeed, the negotiation of additional rates, over and above the book rate, for particular classes of cargo became the primary means by which negotiations occurred over the "'wage' aspect of the effort bargain" (Edwards 1986:259). This process was akin to workplace bargaining over piece-rates, although the rates in question were based on time-wages (the time worked on a particular class of cargo) rather than output as such.

Negotiations over rates usually occurred at the beginning of a job, or when a gang shifted to working a different type of cargo within a hatch. As I noted above, the requisite condition for a rate to be negotiated was an 'exceptional circumstance'. For instance, standard rates existed for bags of particular types of cargo (such as carbon black, cement, coke, and superphosphate) but an extra rate would be sought by the gangs if the bags were split. Additionally, rates could be negotiated which related to working conditions in general (such as rats in the hold, headroom and so forth). A former watersider spoke of the dirty conditions that he had worked in where a rate was negotiated:

> if there were some exceptional conditions, and some of course just a bit but others were very, very filthy. I've seen myself working in a hatch in a lower hold with four hundred ton of alkali in bags, and alkali is the corrosive substance that goes into soap powders, an awful job. Well those would be fixed up, workers would want extra payments, cleaning time, provision of masks or goggles. (Interview)

Other watersiders spoke of having to haul bags of foul-smelling hides, of inhaling cement dust, and of working in rat-infested holds.[44] But overwhelmingly the cargo that was regarded as the worst was carbon black:

> if the stuff was in good nick then it wasn't too bad. But if some of the bags were broken . . . well it was just a black cloud. And you could shower and bathe, and as soon as you started to perspire out comes the black again. (Interview)

However negotiations over rates were about more than the (not insubstantial) discomfort or inconvenience that gangs were subjected to by the conditions of working particular cargoes - they became an accepted and indeed *expected* part of the wage-effort bargain, and were tolerated (albeit reluctantly) by employers. A watersider I interviewed, who had worked on the Lyttelton waterfront from 1959 until 1983 (when he became the local union secretary) did not recall one instance of receiving merely a standard 'book rate', which is significant considering that the majority of the various types of cargo had a book rate attached to them. Another watersider described the book rate as "the minimum rate". He said that "it would seem very seldom in the end the book rate would apply. I mean you'd always find some reason why you wanted a bit more" (interview). Several watersiders I interviewed made comments to the effect that they would not work 'without a rate' being negotiated, or if they could not get one they would be disgruntled and this would affect their work. Similarly, foremen said that jobs would not run as smoothly without rates. One foreman (Gordon) said "It was blackmail, or it was bordering on that. If you were going to stick to the book-rate they wouldn't work properly, or they might take it to the PCC which could delay the job" (interview).

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[44] In his social history of smell, Corbin (1994:48-9) observes that historically ship's holds have been one of the prime sites of filth and offensive odours.

Because of the sheer number of cargo types which were incorporated into the 'special cargoes' schedule, rates applied on most jobs. And on the rare occasion when a job did not have an attendant rate, a tactic employed by some gangs of watersiders was to attempt to 'manufacture' a condition for a rate to apply, or to provide the 'exceptional circumstance' for an additional sum to be negotiated. Although I only have anecdotal evidence to this effect, and hence cannot ascertain the extent of this practice, undoubtedly it did occur on some jobs. Some of the more common practices included deliberately splitting bags. Indeed, Gordon (the foreman quoted above) was certain that men would do this (albeit infrequently) and then put dirt on themselves. He said that, as a foreman, he always tried to ascertain whether claims for rates were legitimate or not. Another example was the jacking up of cargoes to decrease the headroom (which was akin to the deliberate 'blinding off' of cargo) in the hold. Such practices were also the source of some speculation on the part of employers generally. One purported practice at the Port of Lyttelton which almost assumed the status of an 'urban myth', and was told to me with great mirth by the local Union Secretary, was that some watersiders carried a rat in a bag with them onto a job. A foremen later told me that even he thought this was merely a story. The extent of these practices, together with workplace bargaining over rates in general, undoubtedly depended on the individuals within the gangs, but the point is that the practices themselves were not merely an individualistic manifestation of greed, but rather were part of a system of effort-bargaining at the workplace level.[45]

Before examining how rates were actually negotiated, it is important to understand how the gang as a 'bargaining unit' was constituted, and how the work-group's claims for rates were refracted through job-delegates. The delegates were an important part of the highly developed system of workplace industrial relations

[45] See Edwards (1986:74-77) on the 'individual' and the 'collective' dimensions of effort-bargaining.

and bargaining on the waterfront. But because gangs were continually being reconstituted, delegates were only appointed for the duration of a job.[46] Like the workgroup, then, delegates were themselves non-permanent and interchangeable. At the beginning of each job, a process of appointing a delegate to represent the gangs on the ship and one to represent the gangs on the wharf occurred. As an ex-watersider who had frequently acted as delegate explained:

> The ship appoints a delegate. . . . They'd assemble at the bottom of the gangway at the beginning of the job, not the beginning of the day but the beginning of the job, and they would elect a delegate. . . . The men on the wharf, now they appoint a man that's their spokesman. Now the philosophy behind that is that nobody can be sorted out. You are officially their spokesman. The company recognizes that, therefore they must listen to you, they must talk to you, and they can't victimize you because you may not even agree with [the dispute]. (Interview)

The ship's delegate and the wharf delegate were simply watersiders in gangs, who performed their work as per usual, except when called upon to act in their nominated capacity as job-delegates.[47] The other actor at the level of the workgroup who could be involved in negotiations over rates was the gang leading hand, who also acted as a type of delegate.

A watersider (Bernie) provided me with the following account of the process of negotiating rates, on a job where a leading hand had been appointed:

> The men would say to the leading hand 'we think this is worth more than the book rate', and the leading hand, if he disagreed, then that would be about the end of the matter. But if he agreed, and generally they would agree, because he's going to get the money as well, he then approaches the delegate. And he's the only

[46] The 'job-delegates' were separate from the permanent delegates who comprised the local union executive or committee.

[47] At some ports the process of appointing delegates became formalized in the 1960s. For example, as a result of a proposal by a union member in 1961, a 'panel' of thirty ship's delegates, nominated by the Union, was established at Lyttelton and the bureau allocated delegates to each job from this panel (Norris 1980:184).

> one who can go up really and get the delegate, who's an ordinary working guy in some other hatch. So he has to call him up, and he would say 'look that lamp black's got a lot of broken bags and it's all over the place, I think we're entitled to two shillings', or whatever he might say. Well then the delegate then goes to the foreman initially, and the foreman by virtue of his position always says no. In fact, I've never known a foreman to agree at all, it was part of the drill I guess. (Interview)

However, this latter statement contrasts with Gordon (the retired foreman) who said that he frequently allowed a rate above the book rate: "The foreman could negotiate a cent or two, but if it was exorbitant then he'd say 'no, hand that over to the supervisor'. So then you would contact the office and say 'will you come down and sort out a rate with these blokes'". Generally, however, foremen were empowered to act in these negotiations only to a limited degree. In the case of disagreements the request would then be passed on to the supervisor. As Bernie explained:

> So then the delegate would go back and tell the leading hand 'the foreman does not agree', and they would say 'well what's he offering' and generally they would say 'nothing'. So then the delegate would either approach a supervisor, that's the man in charge of the overall operation of the ship, the foreman are directly under his control. And if he failed to agree to any increase that the men would accept, then the walking delegate comes down and they take it over from there. And he would then negotiate with the company itself. . . . The philosophy behind all this, is while all this is going on, the work's still going on, nobody's stopped. (Interview)

In cases where a leading hand was not appointed, an ordinary member of the gang would usually relay the claim for a rate to the ship's delegate. The watersiders on the wharf also negotiated rates, which sometimes differed from the rate for the hold gangs (generally they were lower), but in other cases the two sets of rates were negotiated together.[48]

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[48] The walking delegate kept a record of all rates negotiated, which was signed at the end of the day by the foreman and then was given to the bureau. On the employers' side, the foreman kept a

One effect of not having permanent gangs is that employers were not confronted by already well-organized work-groups *qua* bargaining units. However, this arrangement cut both ways in that unstable bargaining units, if they could achieve agreement, may have been more prone to making greater demands than gangs accustomed to workplace bargaining.[49] Also it did not just affect employers, in that the local unions did not want workplace demands to escalate too frequently into disputes, and hence sought to enforce union discipline on gangs. It is apparent that the walking delegate was often a moderating influence in negotiations over rates, both facilitating and informally setting limits upon workplace bargaining.[50]

By the time negotiations were passed to the walking delegate, on the employers' side they were usually carried out at the level of the supervisor, master-stevedore or the company's senior managers. A former walking delegate at the Port of Wellington reflected on his role thus:

> And of course the walking delegate was usually an experienced person, and could sift the realms of fantasy away and come down to realities, and over a period of time would have a business-like talk with the representative of the shipowner, who would know just how far they could go or what would happen if they didn't. There could be arbitration, and if it was bad enough there could be job stoppages and so on. But mostly a manager would know, a practical stevedore manager would know, 'well if this bloke's going to take it on and we have an arbitrator come in here, I'm going to get done, I've got to give something'. And, of course, if that was reasonable it would go back down the chain, and be represented 'well this seems reasonable, have a look at it'. And the fellas nearly always, although not always, but nearly always would

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record of the rates and then passed them on to the company timekeeper who then confirmed the rates with the bureau.

[49] For a general discussion of the dynamics of work groups with respect to informal bargaining, see Hill (1974).

[50] At the smaller ports which did not have a walking delegate, the union secretary would usually play this role. Also, the establishment of permanent job delegates at some ports during the 1960s acted as a stabilizing (and moderating) influence.

> accept the recommendation that come from their paid official. . . . Generally it would be accepted, and if it wasn't it might go on and be argued in the Port [Conciliation] Committee. (Interview)

However the moderating influence of the walking delegate relative to the demands of gangs only extended so far. In circumstances where the gangs did not agree with their recommendations, and when the dispute escalated to the level of the Port Conciliation Committee, the walking delegate sometimes experienced acute pressure. The following quotation from Norris's history of the Lyttelton Union (regarding the year 1953) illustrates this point:

> Eric Jones was having a hard time as Walking Delegate and received much abuse. . . . He was in the hot seat when a cargo of Potassium Chlorate arrived on the S.S. Waitaki. The men demanded 5/- per hour extra but, after protracted negotiation, the P.C.C. awarded 6d. which was refused but later accepted, after a 15% increase on the 6d was obtained (Norris 1980:166).

The 'contradictory location' of the walking delegate in the process of negotiating rates is a particular instance of the more general pressures associated with this position, which was the lynchpin between the union hierarchy and the rank and file members.

The process of negotiating rates was thus filtered through the job-delegates and the walking delegate; if agreement was not secured at each point, then the negotiations would be pushed higher both within the union and management hierarchies, with ultimate recourse to the Port Conciliation Committee. Disputes over rates could be referred by either party to a formal meeting of the PCC or, alternatively, the PCC Chairman could be brought in to rule at the ship's side. Whether the union or the employer representatives referred a dispute over rates to the PCC Chairman depended largely on how they thought he was going to rule. This did not just depend on the specifics of the matter in dispute; at some ports disputes were only

infrequently referred to the PCC because of a lack of confidence on the part of employers or the union (or both) in the Chairman generally.[51]

However, the mere possibility of recourse to the PCC could itself be used as a resource in workplace bargaining. The following example from the Port of Lyttelton, where the possibility of recourse to the PCC structured the situation, is a case in point.[52] In this case, a supervisor offered a rate and stated that if the union delegates wanted more they would have to call in the Chairman; but they refused the Chairman, and made a slightly amended counterclaim, which was accepted. Numerous other examples could be cited, but this one will suffice to demonstrate that PCC was not merely an avenue of the last resort when union delegates and company representatives could not agree over a rate (its effect was not merely in resolving disputes, that is). As part of the legally regulated industrial relations system, it shaped the whole process of workplace bargaining. But far from fettering this type of bargaining, this system actually supported a highly developed system of workplace industrial relations.

The degree to which the negotiation of rates became standard practice, and represented a form of accommodation between employers and workers is indicated by the existence of 'fiddles'. These centered on the apportionment of an agreed rate between rates per se, and clothing allowances which were not taxed, thereby increasing the net rate which was paid. I was alerted to this particular fiddle when a former walking delegate at the Port of Wellington told me that "At least half the rates were always put into clothing allowances" (fieldnotes). Indeed the Lyttelton

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[51] The PCC at Auckland did not function for seven weeks in 1956 because the Union had withdrawn its representatives in protest at the reappointment of the Chairman of the committee (PEA Annual Report 1957:5). Similarly in during the late 1950s the Wellington Union only submitted matters to the local PCC when they were confident that the Deputy Chairman would not be officiating (PEA Annual Report 1959:8). Port Employers Association Records, 89-395, Box 129 (Alexander Turnbull Library, NLNZ).

[52] At Lyttelton the walking delegate recorded all rates negotiated above the book rate in a log-book, which in some cases contains brief summaries of the negotiations involved. The example is drawn from the one of these summaries.

Union's log-book confirms that the practice at this port was for half the rate to be granted as a clothing allowance. Furthermore, I uncovered an example where this fiddle was carried out at the Port of Tauranga with the knowledge of the local bureau manager. The manager (R. Dobbie) wrote in a letter to the Commission's General Manager:

> I enclose a copy of a letter from N.Z. Marshalling Ltd advising of an additional tax free allowance to be known as 'clothing allowance' of 10 cents per hour. . . . I understand this rate is partly to compensate for fumes from the fork hoists operating in the shed.[53]

This is a classic example of "fiddles around an effort bargain between an employer and an employee" (Edwards 1986:212). It indicates the extent to which rates did become an accepted and tolerated part of the wage-effort bargain.

There are two elements which combined to produce this accommodation regarding negotiations over the wage component of the effort bargain. The first relates to the location of the 'frontier of control' (Batstone 1988), and its effects on the wage-effort bargain, a frontier which was pushed further and further in favour of waterfront workers during the 1960s. The second element is that individual employers were prepared to pay higher rates to get the work done. Undoubtedly, this preparedness and capacity differed between companies. However the employers did not rely just on targeting the wage component of the effort bargain; as we shall see in the next section, informal work practices were also a crucial part of this bargain.

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[53] Letter from R. Dobbie to J. Gray, 18/8/75. Waterfront Industry Commission Records, W3864, Box 53, 5/608 (National Archives).

(4) Supervision and Effort-Bargaining

> *The management problem appears at its acutest in the work of the supervisor. No longer does the supervisor work with a team of persons that he has known for many years or perhaps a lifetime; he is leader of a group of individuals that forms and disappears almost as he watches it.*
>
> Elton Mayo (1945:75)

To the extent that management through the payment system at best only partially resolved the problem of securing and maintaining consistent levels of effort from gangs, this problem ultimately became the responsibility of the foremen-stevedores which, in turn, hinged on their relationship with gangs. Foremen, as the first point of 'management' contact with the gangs, were left to 'fill the gap' in the management system as best they could. Although direct supervision generally was not relied upon by employers, foremen did, by default, have a considerable 'labour control' function. The PEA, in its 1957 Annual Report, was clear about this role:

> In addition to a knowledge of cargo handling and of the orders of the WIT, it is also important that Foremen should have a proper appreciation of the skill of man management.[54]

In practice, this was an ambiguous position because of the number of gangs that foremen were required to supervise, and the fact that they had to balance this role against the other tasks that they were responsible for carrying out. That the position of foreman possessed many of the hallmarks of the 'man in the middle' (Whyte and Gardner 1945) is indicative not only of their role in 'labour control', but also the ambiguity and indeterminacy associated with this role.

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[54] PEA Annual Report (1957:10-11). Port Employers Association Records, 89-395, Box 129 (Alexander Turnbull Library, NLNZ).

The following quotation from one of the Waterfront Industry Commission's annual reports encapsulates the main problems faced by foremen:

> Because of the scattered nature of the work discipline on the waterfront is a difficult problem. Each gang works largely on its own and the foreman or supervisor cannot be everywhere at once. To obtain efficient supervision it is first necessary to have well trained, capable, loyal, and contented foremen. Foremen should receive the necessary support from both sides of the industry in carrying out their duties (WIC Report 1960:9).

The foremen on the ship could be supervising anywhere from two gangs of eight men each (such as on a small coastal vessel), to as many as five gangs of twenty or more men on an export meat job. A retired foreman (Gordon) commented that:

> you could go on a ship and have as many as over a hundred men working there, because a meat gang was about twenty-four men, twelve men, twenty men, whatever. (Interview)

On small vessels, sometimes only one foreman would be assigned, who would have to monitor work both on the ship and the wharf. In each case, direct supervision of all gangs under the foreman's control was not possible. Yet, at the same time, supervision of gangs was largely devolved to the level of the foreman. Consequently, as the Commission's statement alludes to, the foreman was subject to pressures both from managers and from workers (the 'man in the middle' phenomenon). To further develop these points, it is necessary to locate foremen within the typical management hierarchy of firms on the waterfront.

Within the waterfront 'system of supervision' (Thurley and Wirdenius 1973), foremen-stevedores were the bottom rung of a middle-management hierarchy, as follows:

- Master-Stevedore / Wharf Superintendent
- Cargo Supervisor
- Foreman-Stevedore

This type of hierarchy was common to most stevedoring companies, and also to shipping companies which had their own stevedoring department. It corresponded closely with positions and qualifications within shipping. The master-stevedore (who in some companies was called the wharf superintendent) was usually a qualified ship's master. Even the Union Steam Ship Company, which had one of the largest stevedoring operations in the country, employed only one master-stevedore per branch at the port level. The cargo supervisor, on the other hand, was usually a qualified ship's mate, or sometimes a second or third officer. Large companies typically employed two or three supervisors at the port level, but in the smaller companies (such as Canterbury Shipping) this position was combined with that of the foreman. Foremen-stevedores were usually seamen, or in some cases, ex-watersiders with a sea-faring background. The largest companies employed about twenty or so foreman at the port level. The foreman-stevedores were organized into their own union (the Foreman Stevedores, Timekeepers and Permanent Hands Union), and unionization generally stopped at this level (although Master-Stevedores Associations were formed at Auckland and Wellington in the early 1970s).

One of the reasons that a relatively complex middle management hierarchy evolved was in order to deal with the amount of planning, coordination and organization required within an industry that was characterized by high levels of 'process uncertainty' and 'production discontinuity'. There was a constant flow of 'new' information (details of contracts, cargo plans, labour lists and so on) and service tasks which had to be performed. Furthermore, because of the hiring

arrangements under the bureau system, there was an additional component of planning and administration associated with requisitioning gangs from the bureau.

Consequently, the master-stevedore was primarily office-based and was responsible for overall planning and administration. Cargo plans for ships to be unloaded were continually arriving, along with the details of cargo to be loaded (which required that a cargo plan be drawn up). It was the job of the master-stevedore to be constantly planning ahead for new jobs, working out how many gangs were going to be needed, how long a job was likely to take, the equipment required and so forth. Supervisors, on the other hand, were partly office-based and partly wharf-based. Like the master-stevedore, they were involved in planning and coordinating, before ships arrived and after they departed. Their responsibility in this area included liaising with agencies outside the company (like requisitioning labour from the bureau, and arranging with the harbour board berths for ships and cranes). However, supervisors also monitored ships at berth that were being worked, sometimes having responsibility for two or three ships at once.

Foremen had considerable responsibility for "service" tasks (Hill 1973:208). In this area they were key actors by exercising skills, typically acquired at sea, within the workflow system. Specifying *what* had to be done (the amount and type of cargo to be stowed and unloaded), was the responsibility of the master-stevedore and the supervisors, but *how* it was to be done (the rigging of gear, methods of work, and placement of cargo) was largely left to the foremen. Thus foremen required an almost encyclopedic knowledge with respect to the rigging of gear and winches, the weights that could be safely lifted at certain angles, shear stresses of pins and so forth. Another task performed by the foreman that required considerable skill and discretion was the interpretation of the stowage plan. Although the cargo plan was formulated by the master stevedore or supervisor, it

was subject to alteration by the foremen. Putting the plan into action often meant modifying it, such as in cases where stanchions in the ship's hold presented an obstacle to the loading of cargo. Also, the cargo plan was often altered by the foreman-stevedore in consultation with the ship's mate, to ensure that the trim of the ship was maintained. These alterations meant that foremen needed detailed knowledge of the different types of cargo, such as dangerous cargoes, and cargoes that could not be stored together.

Having to balance the 'service' with the 'labour control' tasks was compounded by the fact that the foreman faced, on a day-to-day basis, all of the problems of control which resulted from the system of employment relations. The foreman was the lynchpin between system of work equalization and the attendant indirectly employed and 'randomized' gangs. Although there was a formal system of work-discipline based on penalties, this did not assist foremen in obtaining effort from gangs. As one foreman commented:

> You could penalize them certainly if they refused to work, or if they were absent . . . and you could penalize them certainly if they were deliberately doing something that would cause breakage or leakage . . . [but] not while they were working. . . . As long as they were working, you couldn't drive them and say 'go faster'. Well, you could say it but its not going to achieve anything. (Interview)

I noted earlier in the chapter that foremen were also limited in organizing work by their inability to move gangs between hatches or even the position of men within gangs. Furthermore, at ports that had a high rate of labour turnover, such as Wellington, foreman practically had to train watersiders. This was source of great frustration for foremen at this port. In 1960, one foreman said that they were handling "a floating turnover of humanity all the time".[55] Another commented

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[55] This comment was made at a meeting between representatives of the Foreman Stevedores Union and the Minister of Labour on 31/8/60. Waterfront Industry Commission Records, W3864, Box 67, 9/5/8, (National Archives).

that "A foreman must not only supervise the stowage of cargoes, but must be on supervision all the time, more or less educating men who had never seen a vessel in some cases, let alone a ship's hold."[56]

Although there was the provision for foreman to appoint leading hands, this could only be done on overseas vessels and required the consent of the foreman's superiors.[57] Furthermore the policy of some companies was not to appoint leading hands. A foreman I interviewed said that, in his (not insubstantial) experience, the Union Steam Ship Company never appointed a leading hand. Even in cases where leading hands were appointed, this was often a source of resentment within gangs not least because they received a rate for this duty. Indeed one watersider I interviewed described the rate paid to leading hands as 'blood money'. Another source of resentment resulted from the fact that they were appointed, rather than being selected by the gangs themselves; this was particularly the case when younger watersiders were appointed ahead of older, more experienced men. Because leading hands were appointed, and only for the duration of a job, they did not 'lead' in the gang in any stable sense and did not necessarily command the respect of the gang. Indeed an employers' representative at the Port of Bluff commented at a meeting with the local union that "the best men, with a few exceptions, will not accept the position."[58] Rather than functioning in a manner which, to use the Commission's words, served as a "link between the foremen and the men", the appointment of leading hands was often counterproductive.

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[56] Ibid.

[57] The first leading hands were formally appointed at Wellington in 1951, in the aftermath of the waterfront dispute, on the 'Ngaio' (WIC Report 1952:13). The Commission had recommended that "the workers themselves should be given some greater responsibility in the management of the job by the appointment of leading hands, such leading hands to be members of the gang and to act as a link between the foremen and the men" (ibid). As a result, a clause to this effect was incorporated into GPO 24 in 1953.

[58] Minutes of meeting between the Bluff Waterside Workers Union and the Port Employers Association, 6/12/66. Port Employers Association Records, 89-395, Box 203 (Alexander Turnbull Library, NLNZ).

Because foreman had to supervise a considerable number of gangs, which was compounded by the problems mentioned above and the need to balance these responsibilities against their 'service' tasks, the process of 'man-management' typically involved negotiating at the beginning of a job over how work was going to be carried out. This involved negotiations over rates in which foreman were involved in a limited capacity. But it also involved "informal practices that affect the terms of the effort bargain" (Edwards 1986:74). To the extent that these practices were 'negotiated', they were usually brokered through the foreman. However, as we shall see, knowledge and tolerance of these practices in some cases extended as far up the management hierarchy as company managers. It is precisely because they were tolerated by managers, but also because they were tolerated to different degrees, that rather than providing a solution for foremen to the problems of 'labour control', agreements over informal practices sometimes exacerbated their position as 'men in the middle'.

The most common form of informal practice that affected the "terms of the effort-bargain" was 'spelling', which involved only part of a gang working at any one time, while the other members of the gang took 'a spell'.[59] Although this practice occurs in other industries (for manufacturing, see Beynon 1977; Hamper 1991), it is particularly common on the waterfront (see Turnbull and Sapsford 1992:306-7). Indeed, Finlay (1988) bases his whole argument on informal agreements over working 'on and off' (the American equivalent of 'spelling'). Accounts of when the practice of spelling first emerged on New Zealand's waterfront vary considerably (for an attempt to date this practice, see Green 1992:106-7). Its origins, however, are immaterial. What is important is how spelling came to be used, and how it affected the terms of effort-bargain. As is the case with all

[59] In New Zealand idiom, the phrase 'taking a spell' means to have a rest.

informal practices, spelling can be an expression of two things (see Edwards 1986:42-3). As an informal practice it can represent the extent of outright worker control of the labour process, a form of resistance which indexes the 'frontier of control' (Batstone 1988), and is forced upon rather than accepted by foremen and managers. Conversely, such practices can be an explicit part of the effort-bargaining process between managers and workers.[60]

In a study of work on New Zealand's waterfront prior to 1951, Green (1992:106-9) strongly asserts that 'spelling', along with other informal practices, was a manifest expression of watersiders' control on the job. While she notes that some foremen "sanctioned" spelling (ibid:107), the general tenor of her argument is that it was largely forced upon them. This, she argues, was particularly the case after the first moves to decasualize the industry in 1936: "Once work was impartially shared out, the foreman's specific instructions upon when to spell became less important, and the men increasingly used the custom of spelling for their own purposes" (ibid:113). However, not only does this pattern not obtain in the post-1951 period (as I will subsequently demonstrate), there are good reasons to doubt the validity of her claim even in the period prior to 1951, not least because, as she herself notes, the Waterside Workers Union itself did not approve of, and actively sought to eliminate this practice.

In the 1950s and 1960s there is very clear evidence of spelling being explicitly negotiated over, and not simply forced upon foreman and managers. In these cases, this informal practice was the subject of agreements and understandings about the terms of the effort bargain. This was particularly so given that not only did the Port Employers Association reprove this practice, so too did the Waterside

[60] A third option, using Burawoy's (1979) argument, is that such practices can serve to 'manufacture' consent to exploitation at work. However, this argument is unsatisfactory insofar as it is tinged with an element of functionalism: 'the game' (which comprised the informal practices that Burawoy identified) fulfils the 'latent function' (to use a Mertonian metaphor) of perpetuating exploitation.

Workers Federation and the local port unions. If gangs were forcing the issue upon employers, they had ultimate recourse to the union, which at some ports went as far as to impose substantial fines upon gangs caught spelling (see below). Furthermore, to the extent that *individual* employers 'authorized' spelling - contra Green's claim - it was not merely the foreman alone who acted as the 'agent'. As we shall see, supervisors, master-stevedores and managers tolerated and perpetuated spelling.

While the prevalence of this practice differed between ports, and between companies within ports, it is clear that at some ports spelling was standard practice. Although the Port Employers Association's official policy was that it did not condone spelling, it is clear that many of their individual member companies tolerated it. For instance, at a meeting of the PEA Management Committee in 1966 a Committee member remarked that at the Port of Bluff spelling on freezer gangs had been practiced for many years. He was particularly critical of the local employers for tolerating this, commenting that:

> it was most unfortunate that the employers should have condoned the system of work which allowed 4 out of the 12 holdmen being out of the hold at any one time.[61]

Part of the reason why employers allowed such 'negotiations' was that gangs *expected* to be able to spell. As one watersider (Brian) put it, "The foremen knew that, at the end of the day, you're not going to do well if they all have to be here" (interview). For watersiders, this arrangement represented a *quid pro quo* wherein increased levels of effort were offset against free time. Generally, the base-line level of effort that was required had to be enough to keep 'the hook' moving. Brian said "When your mates went off, you had to work like a dog to keep the

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[61] Minutes of PEA Management Committee Meeting 408, 14/12/66. Port Employers Association Records, 89-395, Box 203 (Alexander Turnbull Library, NLNZ).

hook going, it wasn't allowed to hang. Instead of carrying one lamb, you'd have to carry two" (interview).

In cases where spelling was rendered an explicit part of the effort bargain, agreements were usually struck (as in the case of bargaining over rates) when the foreman 'set up' the job. However, as I will demonstrate below, this process could also involve the supervisor, master-stevedore, or even the company manager. A retired foreman (Gordon) made the following comment about what was involved in 'setting up' a job:

> If you went to say a meat job, which was going to last for a week or a fortnight, the first half-day you'd probably be sorting out the men and laying down the ground-rules, and making sure that they would stick to the ground rules, and making sure that everybody's in the right place and the right number of men and that sort of thing. (Interview)

When I asked whether the 'ground-rules' included informal practices like spelling, he replied:

> Yeah exactly, yeah. And whether there's not going to be any smoking, and there's nobody going to sit on deck, and reduce the number down below, and all of this sort of thing. (Interview)

Gordon provided the following description of the form that spelling typically took in the case of a gang working general cargo on a coastal vessel, which at each hatch had six watersiders in the hold and four on the wharf:

> It was usually the case that they divided into pairs. Because the usual way they worked in a hatch, the hook would come in with a sling of cargo and it would land on that side, and then those two men would attack it. And then the hook would go and then these two men would attack. That left two men spare. . . . It was supposed to be four and two. . . . there were four men . . . [on the wharf], and it was usually the case that they would have one man in the truck and two on the wharf and the other one would be off

> somewhere. . . . And even with the meat gangs, which were a lot bigger, we had twelve men down below or more, then it was usually eight and four, so it was two thirds of the gang. (Interview)

If a job was 'set up' correctly, foremen were usually able to concentrate on performing their 'service' tasks. Gordon commented: "once you've got the job started and everybody is in the right place and it started swinging, you didn't have to supervise the labour as much as supervising where the cargo was, so you didn't take the wrong stuff out or put the wrong stuff in, or put it in the wrong place" (interview). In practice, particularly when monitoring several hatches and gangs at one time, foremen continually watched 'the hook' to ensure that it was moving, and only descended into the hold when it stopped (to see what was wrong).

The fact that spelling was 'supposed' to be done in a particular way (as the comments above regarding numbers and keeping the hook moving suggest) indicates that it was the subject of an agreement between foremen and gangs; but it was not merely an arrangement brokered by foremen themselves. Indeed, the pattern of bargaining corresponded closely to one identified by Finlay (1988) in the ports of Los Angeles and Long Beach, where arrangements involving 'on and off' were not merely 'shadow deals' negotiated by foremen without the knowledge of senior managers. Rather "company managers are also partners in the deal, for they too appreciate its benefits" (ibid:118). But despite managers being partners in the deal, foremen are still, as Finlay notes, "the central actors. They negotiate the deal and ensure that it works" (ibid:106).

In New Zealand, however, this informal practice was even more blatantly accepted by the foreman's superiors. This involved supervisors, the master-stevedores and, in a case cited below, a company manager was himself involved in arranging spelling. Indeed, the foremen's superiors could be involved in this process even to the point of 'cutting them out' of the negotiations. At a meeting between the

Foreman's Union and the Minister of Labour in 1960, which was convened so foremen could air their grievances, Union President Faulkner stated:

> Another thing about spelling was that it was the job of the foreman in charge of a hatch or a ship to run the labour, but in many cases the foreman did not know what was going on because someone else was giving the instructions, and this did not make for harmony. . . . It had got to the stage that the watersiders would take notice of the supervisor just to belittle the foreman.[62]

Union representative Mullin concurred: "One of the most frustrating things that could happen was for a foreman, with 6 men discharging a ship, to have the supervisor come along and stop them and then alter everything - gear, hatches. The wharfies are put out of stride and everything collapses."[63] Problems for foremen arising out of arrangements over spelling appear to be a particular instance of a more general condition associated with the foreman's position as a 'man in the middle'. One need look no further than the minutes of a similar meeting the previous year to find evidence of this condition:

> Mr Faulkner said their members were in the unfortunate position of being the middle men. They were between the Employers on the one side and the watersiders on the other, both 'having a go' and so their powers were limited.[64]

Even the Waterfront Industry Commissioner (who attended this meeting) acknowledged that: "The foreman easily became the 'butt' between the workers on the one side and the employers on the other."[65] The record of a comment by a Foremen-Stevedores Union representative succinctly summarized the problems

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[62] Minutes of Meeting, 31/8/60. Waterfront Industry Commission Records, W3864, Box 67, 9/5/8 (National Archives).
[63] Ibid.
[64] Minutes of Meeting, 8/7/59. Waterfront Industry Commission Records, W3864, Box 67, 9/5/8 (National Archives).
[65] Ibid.

that foremen faced: "How could they maintain authority if their 'bosses' were going to countermand their instructions?"[66]

The fact that foremen could be circumvented in arranging spelling (and work generally) through the intervention of more senior managers meant that, contra Finlay's case, foreman were periodically caught 'in the 'middle'. Far from the functional division of labour that Finlay purports characterizes the management hierarchy on the American waterfront, in New Zealand the boundaries were permeable. Cutting foremen out was further compounded when employers gave foremen directives to eliminate spelling (see below).

The following example is a case in point of spelling as an explicitly 'negotiated' practice, which was arranged by a company manager. The company in question was the Pacific Stevedoring Company and the operation was scrap metal loading. In a letter (dated 16/9/60) to the WIC General Manager, the Wellington Branch Manager wrote that:

> it is common knowledge on the Wellington waterfront that this company sanctions spelling by the men. Captain Ellis, who is in charge of the Company's stevedoring operations in N.Z., tells the men that he does not want any 5 o'clock replacements. Captain Ellis has told me himself that at the start of a job he calls the two delegates together and tells them that he wants the hook kept going and no stoppages, and that the rest is up to the men themselves. I would say that the spelling sanctioned by Captain Ellis is a deliberate policy and that he believes that in this way he will get the quickest dispatch, keep clear of industrial trouble, and avoid undue claims.[67]

That some of the gangs were working one day on and one day off, and were still achieving good results, testifies to the 'success' (from the Company's point of view) of this *quid pro quo* arrangement in securing consistent levels of effort.

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[66] Ibid.
[67] Waterfront Industry Commission Records, W3864, Box 67, 9/5/8 (National Archives).

This 'renegade' manager was the cause of some concern, to the extent that Commissioner Bockett was prompted to remark (at one of the meetings between the Foremen Stevedores Union and the Minister of Labour): "When he goes to the job he says 'We don't want 5 o'clockers; I want half the gang here, the rest can do what they like.' He reckons he gets better tonnage. But he is breaking down the whole system of supervision in the port . . . I have said, 'You have to stop this man'. I have spoken to Mr Blakeley through the PEA."[68]

This example illustrates another problem for employers which arose from the rotation of watersiders between companies. As the Wellington Branch Manager noted in his letter:

> There is no doubt . . . that the spelling sanctioned by Captain Ellis creates difficulties for any other Company loading scrap metal, more especially if one of Captain Ellis's ships is working at the same time. At the start of a job the men will ask the stevedore if he is going to work Captain Ellis's way, and when the answer is 'No' they express their dissatisfaction and many of them say they will be 5 o'clockers.[69]

When different employers varied in the degree to which they tolerated spelling, this caused problems because workers came to expect the same levels of indulgency from all employers.

This case also illustrates the difficulty that the PEA faced in eliminating spelling given that some company managers themselves allowed it. Furthermore, Captain Ellis's company did not belong to the PEA. Nonetheless, the PEA found it particularly difficult to eliminate this practice even amongst its members. At the 1964 Annual General Meeting of the PEA, one representative reported that an

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[68] Minutes of Meeting, 31/8/60. Waterfront Industry Commission Records, W3864, Box 67, 9/5/8 (National Archives).
[69] Waterfront Industry Commission Records, W3864, Box 67, 9/5/8 (National Archives).

incident aboard a Union Steam Ship Company vessel indicated that spelling was occurring, and that this practice had to be stopped. In response, PEA Chairman Viv Blakeley is reported as having said that:

> He felt that it was particularly important that there should be a standard application of discipline, otherwise one employer would merely be played off against another as had been the case in the past.[70]

As the case of Captain Ellis demonstrates, inter-port differences in indulgency patterns with respect to spelling were perhaps less of a problem than differences between employers *within* ports.

Despite the difficulties it faced with respect to obtaining the support of its own members, the Port Employers Association periodically attempted to eradicate spelling. However the PEA's attempts to 'tighten up' provoked considerable opposition amongst watersiders.[71] Attempts to eliminate spelling resulted in go-slows and even stoppages of work. Furthermore, some company managers were themselves ambivalent about the PEA's directives in this area. The former Manager of the Lyttelton Stevedoring Company made the following comment about a dispute that stopped work during a period of 'tightening up':

> the shipping companies had one of their biennial purges and decided to stamp out spelling, without the least idea of how to go about it. So everybody had to stand around with their fingers up their arses simply and solely because they wouldn't tackle the question that they [the watersiders] were redundant at any rate. The only answer was to get rid of them rather than try and keep them on the job. Its no good keeping a man on the job if there's nothing for him to do. You're better off without him, he's just in the way. (Interview)

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[70] Minutes of PEA Annual General Meeting, 16/10/64. Port Employers Association Records, 89-395, Box 203 (Alexander Turnbull Library, NLNZ).

[71] Alvin Gouldner, in his classic study of a gypsum plant (Gouldner 1954), identified a similar pattern of worker resistance to attempts by employers to change the 'indulgency pattern'.

Thus the more fundamental issue, from this manager's point of view, was gang sizes which occasioned spelling, rather than spelling *per se*.

It was precisely because of the ambivalence of employers towards PEA directives to clamp down on spelling, particularly given that managers in some companies tolerated, accepted and even fostered spelling, that foremen once again found themselves in the position of the 'middle men' during such 'purges'. Gordon (a retired foreman) commented that:

> The one who mainly kept the spelling going was the employer, because I can think of several times when all the foremen were gathered together to get a pep talk from the employers' representative, the Port Employers Association representative, saying that they were going to stop it, stamp out spelling. No more. And telling the foreman, nobody's allowed to spell, everybody's got to be there. So okay, we'll do that. So we kept them all there, and so then the watersiders had a go slow. And usually they picked a certain type of ship for a go slow, like a passenger ship or a big frozen meat job, and the employers became so frustrated, and also charter ships where the ship is running near the end of a charter and if she's not empty on that day then you start paying extra for the charter. So when the employer could see this happening, a ship near the end of a charter or a passenger ship that wasn't going to sail on time or a meat job that wasn't going to finish on time, and they would say 'forget about that, just scrub that, let them carry on with spelling, we've got to get it going'. So the spelling would carry on, and the work would resume the normal speed and back to square one. And this happened several times. Now if they had stuck at it and said irrespective of what ship is held up we are going to stop spelling, it could have been done, but then it was going to be a very costly exercise. (Interview)

Although foremen were required to prevent spelling, they were frequently not supported by employers when a dispute arose. Gordon recalled that:

> there were times when in order to try and stop spelling, or to stop something else, you had a hatch stop and the foremen was doing

> what the company wanted, and he got hauled over the coals by the company for stopping the job. (Interview)

Indeed at one of the meetings with Minister of Labour in 1960, Foreman's Union President Faulkner said that foremen "were very dubious about sacking a man, who may be reinstated; they had to be sure that they would have some backing afterwards".[72] Moreover, at an earlier meeting, another foreman (Mr Laywood) said that: "In the case of the Union Company a foreman who had judged it necessary to sack a gang had been told that he would be sacked himself."[73]

Citing the studies by Roy (1954), Burawoy (1979) and others as evidence, Fortado (1994:254) observes that it has been "documented how managers will sporadically tighten things up, i.e. a crackdown", but "Once management's point had been made, things would return to normal, in no small part because the informal practices are often a key part of how things get done." This succinctly expresses the point in question: spelling was a crucial part of how work was performed.

This latter point helps explain why the Waterside Workers Federations (both of which eschewed this practice) and the local port unions had difficulty in eliminating spelling. Generally, union opposition to spelling was based on the argument that it provided employers with the rationale for reducing gang sizes. The following examples indicate the seriousness with which it was regarded. At the South Island Federation conference in 1960, the representative from Greymouth (A. Panther) is reported in the minutes as having said that he: "Read a report in 'Truth' about an old abuse creeping in at Auckland - spelling. This is an old malpractice that ruined us. It is a good argument for the employer to cut down

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[72] Minutes of Meeting, 31/8/60. Waterfront Industry Commission Records, W3864, Box 67, 9/5/8 (National Archives).
[73] Minutes of Meeting, 17/5/60. Waterfront Industry Commission Records, W3864, Box 67, 9/5/8 (National Archives).

the manning scale."[74] The North Island Federation Secretary, Eddie Isbey (who attended the meeting as an observer) told the conference that the Auckland Union was meting out heavy fines to men caught spelling. The Auckland Union was not alone in attempting to use its disciplinary powers to eliminate spelling. For instance, in 1965 the Lyttelton Union attempted to eliminate spelling by having the walking delegate police it and imposing fines (Norris 1980:199). As in the case of the PEA not being able to eliminate tolerance of spelling by its members, the reason that spelling could not be eliminated by the unions was precisely because this practice was a form of accommodation between individual employers and gangs over the 'terms of the effort bargain' (to use Edwards' phrase).

The pattern of effort-bargaining discussed in this section is similar in many respects to the one observed by Finlay (1988) in the Ports of Los Angeles and Long Beach, with respect to negotiations between employers and gangs over the amount of time worked relative to effort provided. However, while agreements over spelling were the most prevalent of the informal practices that affected the effort-bargain in New Zealand, other mechanisms (which centered on wage payment systems) also evolved to compensate for the effects of the system of employment relations. As a supplement to monetary incentives, negotiations over this practice did not assume the same significance as Finlay purports was the case in the American ports that he studied. Unlike the American case, the securing of effort by employers in New Zealand did not hinge solely on informal agreements over spelling.

Another very important difference between the two countries relates to the role of the foreman. The fact that foremen could be circumvented in arranging spelling (and work generally) through the intervention of more senior managers meant that,

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[74] Minutes of South Island Waterside Workers Federation Conference, 19/11/60. New Zealand Waterfront Workers Union Records, 92-305, Box 1/14 (Alexander Turnbull Library, NLNZ).

contra Finlay's case, foreman were periodically 'caught in the middle'. I will end this section by briefly reflecting on the role of the foreman on New Zealand's waterfront in the break-bulk era, and comparing it to the pattern identified by Hill in the Port of London during the same period.

According to Hill (1976:39-40), in the 1960s the foremen in the Port of London were not 'men in the middle' but rather were key actors in their own right. This, he argues, was largely because the role of the foreman did not conform to the orthodox 'productivist' conception of 'men management'. Instead, the 'primary task' of foremen was to monitor and coordinate the flow of work to gangs (Hill 1976:39). In turn, this was because the dockers' insecure position in the labour market, meant that the principal "source of supervisory control over the men . . . [was] the actual employment relationship itself"(ibid:28). Because "foremen and men act[ed] in the place of management" (ibid:95), foremen on the London waterfront were not subject to the same pressures as foremen within factories.

Although one can make the general observation that in industries like the waterfront, where work is discontinuous and inherently variable, the foreman works as much in a technical service capacity as that of controlling labour, I believe that the case of foremen on New Zealand's waterfront demonstrates that there is no 'logic of the labour process' operating with respect to the role of foremen. What the foreman does (i.e. the *balance* between service and labour control tasks) is a result of the way that systems of labour administration institutionalize gangs systems of working. And it is precisely because of the variety of ways that gang systems of work can be organized on the waterfront (gangs can be self-selected or assigned, permanent or temporary, directly or indirectly employed), that the balance between the 'service' and 'labour control' functions of the foreman on the waterfront is an *empirical* question.

As a result of the specific problems created by the bureau system, foremen did have a considerable role to play in labour control, which resulted in foremen occupying the position of 'middle men' (Whyte and Gardner 1945). Thus the pattern was more like the one observed in the literature on manufacturing (Roethlisberger 1943; Child 1975). However, the role of the foreman in labour control, and their resulting 'men in the middle' status, was not a result of the 'evolutionary logic' which underpins the account of the foreman's changing fortunes that this literature provides. Rather, it was a contingent development, the result of the impact of a particular configuration of employment relations on work relations.

(5) Conclusion

To recap, the system of employment relations which developed within the bureau system of labour administration rendered it difficult for employers to secure consistent levels of effort from gangs, principally because they were stripped of "their power to hire and fire" (to use the words of Edwards 1979:16). Furthermore, the union-sponsored and state-secured work allocation system, which was based on the principle of equalizing the 'share of opportunity', produced an 'averaging' effect that resulted in a horizontal rather than a hierarchical type of labour market. Consequently, employers sought to reintroduce differences in reward into the employment relationship, to use monetary incentives to secure the desired levels of effort. The bonus system further illustrates the complex interplay between the labour market and work. In this case, an employer strategy at the level of work relations to secure effort conflicted with the unions' strategy of 'equalizing work opportunity' at the level of employment relations.

To the extent that monetary incentives which focused upon the "'wage' aspect of the effort bargain" (Edwards 1986:259) met only limited success in securing

effort, individual employers frequently reached informal agreements with gangs over the way in which effort itself was supplied. Rather than attempting to directly supervise men in order to control their behaviour and to limit their autonomy, foremen were involved in allowing informal practices, often with the knowledge of managers, which *increased* watersiders' control over how work was performed.

SECTION THREE

INSTITUTIONAL, ORGANIZATIONAL AND TECHNOLOGICAL CHANGE

CHAPTER 7: TECHNOLOGICAL CHANGE AND THE (RE)NEGOTIATION OF OCCUPATIONAL JURISDICTIONS

> *Another distinguishing feature of an occupation is that it has control over its specific set of tasks and the distinct body of knowledge about how those tasks are to be performed. In dynamic terms, these tasks and who performs them can and often do change: other occupations may claim a right to do some of them, new occupations may emerge via a recombination of some of them, or the tasks themselves may become obsolete or transformed through the ever-present efforts of managers and employers to deskill them.*
>
> Harrison Trice (1993:10)

> *the items of activity and social function which make up any occupation are historical products. The composition of an occupation can be understood only in the frame of the pertinent social and institutional complex (which must in turn be discovered, not merely assumed). The allocating and grouping of activities is itself a fundamental social process.*
>
> Everett Hughes (1959:32)

(1) Introduction

In 1960 the port union journal 'Quayside' heralded the arrival of a "New Era on the Waterfront."[1] The author was writing about technological change. While commentators in other countries often equate technological change with the 'container revolution' of the 1960s, containers did not begin to arrive in New Zealand in any significant number until the late 1960s and the first fully cellular vessel did not arrive until 1971. Prior to this time, however, other technologies were introduced. These were to prove an important precursor to containerization. These other technologies involved the introduction of 'self-propelled' mechanical equipment such as bulldozers and forklifts, along with machines such as conveyors. They were referred to by the officials of the port unions through the

[1] '*Quayside*', Volume 1, Number 8, October 1960.

collective term of 'mechanization'. Although the effects of this process were not as great as the effects of containerization, they were nonetheless significant.

One of the points I want to stress in this chapter is that there was not an abrupt shift to containerization. Rather there was a gradual, incremental process of technological change beginning in the 1950s. Other studies (e.g. Finlay 1988; Wellman 1995) tend to neglect, or to 'gloss over' pre-container technological change. But in New Zealand, at least, it was very important - particularly in foreshadowing the approach of the unions to the introduction of containers. While there were elements of discontinuity, there were also continuities throughout the process of technological change, from the introduction of self-propelled mechanical equipment in the 1950s through until full scale containerization in the early 1970s.

In this chapter I will outline the response of the watersiders' port unions, and the two Federations, to technological change, and to the threats posed by it. Apart from its potentially drastic impact on gang manning levels, new technology exacerbated the contestation of occupational jurisdictions on the waterfront. Some of the best literature in the area of inter-occupational disputes over job territories (a literature which is inspired by the work of Everett Hughes, who consistently stressed the inter-relatedness of occupations), focuses on professional work. In this field, Abbott writes of:

> how jurisdictions are opened, contested and closed. Jurisdictional disturbances often arise in the objective bases of professional work. While cultural and natural facts seldom change rapidly enough to force sudden readjustments, new technologies or organizations often create new areas for professional work (1986:192).

In the case of the ports, it was precisely new technology that exacerbated an underlying tension between the different waterfront unions, and posed the greatest

threat to the boundaries of the watersiders' occupation. Although institutionalizing exclusive registers at the local port level restricted work to registered watersiders, it did not predetermine the nature of the work that watersiders actually performed.

In the chapters in Section 2, which focused on relationships between watersiders and the employers, I held in abeyance the issues of inter-union disputes. This is one of the issues that I will address in this chapter. Abbot refers to "writing the history of a jurisdiction by investigating the disturbances that have marked its development" (ibid:193). I will take a leaf from his book in examining how watersiders attempted to secure the boundaries of their occupation, by focusing upon the 'jurisdictional disturbances' that 'marked its development'. The best sources of information on these disturbances are documented disputes, as this is where latent or otherwise imperceptible challenges to jurisdictions often come to light. Disputes of this nature constitute the primary source of information for this chapter.

(2) The Approach of the Unions to New Technology

The approach of the Federations in New Zealand was, far from resisting new technology, to promote its introduction. Significantly, during the 1950s the two Federations advocated the introduction of new technology, in order to improve the working conditions of watersiders. As early as 1954 the General Secretary of the South Island Federation, Paddy Weith, commented at a conference that:

> The time had arrived when we should take a lead in testing out any mechanical equipment that could be used both on the wharf and also in the ship to lighten the job for our members.[2]

[2] Minutes of the South Island Waterside Workers Federation Conference, 25/11/53. New Zealand Waterfront Workers Union Records, 92-305, Box 1/13 (Alexander Turnbull Library, NLNZ).

Similarly, the minutes of an address by Weith to the North Island Federation conference the following year record the following statement:

> For too long in the past the attitude of workers had been one of fear that machinery would replace men. This he felt was wrong-thinking and [he] said that the Unions should ask the Employers to be consulted when improvements of this nature were made.[3]

The General Secretary of the South Island Federation, Jim Roberts, commented at its conference in 1956 that:

> I believe the day must come in this country when more machine aids will be given to the waterside workers than there are at present. . . . I believe too that the introduction of machinery, while it may possibly displace human labour power in the meantime, will in the end be of benefit to the waterside workers.[4]

It should be noted, however, that the approach of the Federation was, in general, that new technology would only be accepted if it did not displace any labour.

Similar sentiments were apparent amongst the executive of the North Island Federation. For instance, the following record of a statement by General Secretary Napier to a South Island Federation conference indicates this approach:

> Mechanization was a very important matter, and from the point of view of policy the Waterside Workers Unions were not opposing it, but they were determined to get their fair share of the money saved by the employers.[5]

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[3] Minutes of the North Island Waterfront Workers Association Conference, 19/4/55. New Zealand Waterfront Workers Union Records, 92-305, Box 3/14 (Alexander Turnbull Library, NLNZ).
[4] Minutes of the South Island Waterside Workers Federation Conference, 4/12/56. New Zealand Waterfront Workers Union Records, 92-305, Box 1/14 (Alexander Turnbull Library, NLNZ).
[5] Minutes of the South Island Waterside Workers Federation Conference, 29/11/60. New Zealand Waterfront Workers Union Records, 92-305, Box 1/14 (Alexander Turnbull Library, NLNZ).

Although members of the Federation executive advocated the introduction of new technology, if watersiders too could reap the benefits, they did not really have a coherent national policy for managing its introduction along these lines. At least during the 1950s, there was not a coherent approach in terms of negotiating a national agreement which embodied this principle.

In some ports in other countries the approach taken by waterfront unions was to negotiate an overarching agreement regarding the introduction of mechanical equipment. For example, the International Longshoremen's and Warehousemen's Union, which had coverage of ports on America's West Coast, negotiated a 'Mechanization and Modernization' (M&M) agreement in 1961. This agreement traded off the right of employers to introduce new technology and the "elimination of restrictive work rules" against a more secure and stable form of employment, and the establishment of a fund paid for by employers to compensate for lost earnings (Finlay 1988:6).

However in New Zealand, rather than new technology being negotiated over at a 'summit' level, the introduction of mechanical equipment was dealt with on a case-by-case basis at the local level by the port unions. The issues raised by mechanization (work coverage and manning levels) emerged at the workplace level and were dealt with, in the first instance, at the port level. The watersiders' local unions trenchantly defended task and occupational boundaries, together with gang strengths; this generated numerous disputes which were ruled on by the Waterfront Industry Tribunal. Often arrangements emerged through favourable decisions of the Tribunal regarding a dispute at one port which the Federations then latched onto and sought to extend to other ports. In some respects, despite the proclamations by Federation officials on the need to be proactive, their reliance on favourable Tribunal decisions acted as a substitute for a fully-formulated coherent policy and approach. An agreement comparable to the

American West Coast's M&M agreement was not achieved until 1966, some time after a series of disputes surrounding the introduction of mechanical equipment had already occurred. Even then, the agreement was by no means as wide-reaching as its American counterpart.

Part of the reason for this difference in approach was the essentially piecemeal way in which new technology was introduced onto New Zealand's waterfront, which was mirrored by the piecemeal way in which the Federations and port unions dealt with it. Furthermore, the issue of mechanization emerged during the mid-1950s when the unions and the Federations were only being rebuilt organizationally, and were only just beginning to regain in negotiations some of what had been lost in the aftermath of the 1951 dispute.

Thus, in the following section, I will describe an essentially decentralized way of introducing and dealing with the effects of new technology, prior to the introduction of containers. To some extent, this approach mirrored the nature of industrial relations on the waterfront generally, which had a strong decentralized component (see Chapter 5). Although the approach of the port unions to new technology changed somewhat during the 1960s, which resulted in an agreement being made in 1966, there continued to be elements of continuity regarding how the introduction of containers was dealt with.

(3) The Impact of Mechanization: Jurisdictional Disturbances and Manning Levels

From the point of view of the unions, the deleterious consequences raised by technological change were twofold. Firstly, it impacted on manpower requirements. Because the introduction of mechanical equipment decreased the labour intensity of waterfront work, it had the potential to greatly diminish gang

strengths. Secondly, it had the potential to erode collective job territories and thus to diminish the share of 'work opportunity'. The introduction of new technology threatened watersiders' collective job territories for the following reason. Although the Waterfront Industry Act 1953 restricted the performance of waterside work to registered waterside workers (except at times of labour shortage, when casual workers could be used), the definition of waterside work in s 2(1) was somewhat broad:

> 'Waterside work' means the loading and unloading of ships, barges, lighters, and other vessels; and in relation to any port where the Harbour Board acts as a wharfinger, includes the work of receiving and delivering cargo customarily performed by waterside workers at that port.

The breadth of this definition meant that, in practice, it contained a number of 'grey areas'. The other important clause regarding work coverage, s 11(2), stated that: "No principal order shall apply with respect to any work of a kind which immediately before the commencement of this Act was not customarily performed by waterside workers." According to a ruling of the Tribunal, this latter provision:

> was to protect the rights of members of other Unions who had been customarily employed on or about the waterfront prior to the passing of the Waterfront Industry Act. In that category would fall the employees of Harbour Boards and tradesmen whose work, although connected with shipping and the waterfront, was not the work of waterside workers.[6]

But despite the intention behind this provision, employers attempted to use it to exclude watersiders from some types of work. The grey areas in the definition, together with the restriction on the types of work that Principal Orders could apply to, allowed for disputes to arise over 'jurisdictional claims' caused by the introduction of new technologies, wherein other unions (such as the Harbour

[6] WIT Decision 282, 2/6/60. Waterfront Industry Commission Records, W3472, Box 55 (National Archives).

Workers Union) sought to lay claim to work that watersiders regarded as being traditionally 'theirs'.

Of the mechanical equipment introduced onto the waterfront in the pre-container era, self-propelled equipment such as bulldozers and forklifts was among the first to pose a significant threat to the watersiders' unions and to prompt disputes. Although forklifts had been introduced onto the waterfront at the Port of Auckland as early as the 1940s by the American armed forces (see Roth 1993:84), they only became contentious after their more widespread introduction in the late 1950s. As we shall see, mechanization first became a contentious issue in relation to the use of bulldozers to work bulk cargo and, shortly after this, in the use of forklifts to move palletized cargo on board vessels.

The introduction of new technology onto the waterfront was governed by Clause 27 (j), inserted into the General Principal Order 24 in 1953 (when the Federations were negotiating from a position of some considerable weakness). This provision acknowledged the:

> right of employers to introduce mechanical equipment for the greater expedition of cargo handling provided the gear is safe and there is prior consultation with the union in regard to the conditions, including, if necessary, arrangement for the removal and replacement of hatches outside the normal hours of work.

This was a rather weak clause, from the point of view of the unions, as it did not stipulate the form that consultation should take. However, some of the larger unions were able to achieve slightly more detailed clauses in their Supplementary Principal Order (the main port level agreement, that is). For example, in 1955 the Auckland Union succeeded in having encoded in its SPO the following provision: "Before any new equipment is introduced, *discussion* and *agreement* shall be reached between the Union and the Employer" (my emphasis).

Subsequently, in 1960, as the Federations regained their organizational and industrial strength, they were able to negotiate a qualification to section 27(j) in the GPO. The clause stated that the conditions which had to be consulted over with the unions "shall include the fixing of the number of men necessary for employment in conjunction with the mechanical equipment." Furthermore, a provision was included whereby, in the case of the equipment leading to reductions in the number of watersiders below the standard gang strengths used to manually handle the cargo, the contract or incentive rates would be adjusted to "give fair and reasonable additional financial benefit to the waterside workers using the mechanical equipment in return for increased throughput." Recourse was to local Port Conciliation Committees and the Waterfront Industry Tribunal if agreement could not be reached. While this clause dealt with gang manning, it did not, however, deal with which union's members had the right to operate this equipment. As we shall see, work coverage became an increasingly contentious issue.

New technology was introduced onto the New Zealand waterfront in a piecemeal fashion at the port level under these provisions. There were agreements, some formal (which were encoded in Principal Orders) and some informal, regarding how it was introduced. In other cases, the employers simply asserted their right to introduce new technology (particularly prior to 1960). This was evident in the first notable (and recorded) dispute involving the use of mechanical equipment, which occurred in 1958, when the Colonial Sugar Refining Company won from the Waterfront Industry Tribunal an exemption from employing waterside workers in discharging bulk sugar at Chelsea.[7] Previously, sugar had been imported in bags. The new equipment, which allowed sugar to be discharged in bulk, both

[7] Cited in a Memorandum prepared by S. Bockett (General Manager of the Waterfront Industry Commission) for the Minister of Labour, dated 28/2/61. Waterfront Industry Commission Records, W3472, Box 142, 5/585, (National Archives).

substantially decreased the number of workers required and was used by the Company to challenge the right of watersiders to perform this work. The Auckland Union unsuccessfully applied to the Tribunal for an order restraining the Company from using this equipment, on the grounds that it contravened a clause in the port's Supplementary Principal Order which required negotiation over the introduction of new equipment.[8] Although the Tribunal's ruling provoked a two-day strike at the port (see Roth 1993:167), it did not prevent the equipment from being used by the Company.

Similar disputes occurred in relation to the use of bulldozers to discharge bulk cargoes. For example, a dispute occurred at the Port of Auckland in 1959 when a stevedoring company (Leonard and Dingley) used bulldozers to assist in the discharge of bulk potash. The Auckland Union claimed that the company used this machinery without prior consultation, as required under Clause 27 (j) of the GPO, and that it used workers other than watersiders to operate these machines. A decision by the Auckland Port Conciliation Committee supported the watersiders on this point, as did the Tribunal when the local branch of the Port Employers' Association appealed this decision. The employers attempted to invoke s 11(2) of the Waterfront Industry Act 1953 to install other workers on this equipment, by maintaining that the work was not performed by watersiders prior to the passage of the Act, and hence was outside the purview of 'waterside work'. However, the Tribunal ruled against the employers on the grounds that the use of bulldozers to discharge potash had begun in 1956, *after* the Act was passed. This was a significant victory for the Union, insofar as it not only limited the right of employers to encroach on waterside work, but also established a precedent. In its decision, the Tribunal stated:

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[8] Waterfront Industry Tribunal Decision 175, 5/3/58. Waterfront Industry Commission Records, W3472, Box 55, (National Archives).

> The matter should now be one for enquiry and negotiation. . . . If the parties are unable to reach agreement, it is open to either party to bring the matter before the Tribunal when a new Order for local conditions is under negotiation.[9]

A similar dispute occurred at New Plymouth in 1960 when the local branch of the PEA appealed to the Tribunal a decision of the local PCC regarding the number of trimmers who had to be engaged in discharging bulk potash using bulldozers. In this case, it appears that the PCC had used an earlier (informal) agreement between one company and the New Plymouth Union as the basis for a decision relating to another company. In its decision, the Tribunal stated:

> There is nothing in [General] Principal Order 156 to prevent an employer from agreeing to employ a specified number of trimmers, as was done in Auckland, but it is a very different thing for a Port Conciliation Committee to require the employment of a particular number in all cases without the consent of the employer.[10]

In disputes over mechanization, where the disputed type of work had been done previously, customary port practices regarding manning levels and work coverage (which were, in effect, informal agreements regarding how the work had typically been performed) were crucial in the Tribunal's decisions. But, as this case demonstrates, these practices did not establish binding agreements.[11] Furthermore, in this case the Tribunal actually criticized the attempt to settle such matters on a local basis through the Port Conciliation Committee:

> If special provisions are required in relation to the use of bulldozers for the unloading of bulk potash they should preferably be made in

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[9] WIT Decision 282, 2/6/60. Waterfront Industry Commission Records, W3472, Box 55 (National Archives).

[10] Waterfront Industry Tribunal Decision 301, 16/12/60. Waterfront Industry Commission Records, W3472, Box 55 (National Archives).

[11] In Chapter 5 I demonstrated that, despite the legal framework that regulated industrial relations, informal agreements still existed at the port level. The formal by no means triumphed over the informal. However I also pointed out that the legal framework could be used as a resource by either the employers or the unions in an attempt to elevate informal agreements to the status of binding formal agreements.

> relation to New Zealand, or at least the North Island, as a whole and the Tribunal does not think it is within the competence of Port Conciliation Committees to impose conditions not in accordance with the provisions of [General] Principal Order Number 156 in their particular ports.[12]

Around this time similar disputes began to occur at a number of ports regarding the use of forklifts. For instance, in 1960 the Tribunal heard an appeal of a decision by the Auckland PCC regarding the number of men in wharf gangs on a job where newsprint was being handled using forklifts.[13]

With regard to mechanization, then, in some cases individual employers attempted to introduce new technology at the port level without 'consulting with' the local port union, and on terms which the unions opposed, whereas in other cases there were informal agreements between employers and port unions over its introduction. However there were also many cases where *formal* agreements were negotiated at the port level which regulated the introduction of new technology and manner in which it could be used. These agreements were either contained in the port's Supplementary Principal Order, or were encoded in a specially negotiated Principal Order which dealt just with the equipment in question.

For example, an agreement regarding the use of conveyors was included in Auckland's Supplementary Principal Order in 1958. Similarly, at the Port of Tauranga in 1961 local conditions were established for a trial period of five months regarding the use of bulldozers in ships' holds to unload bulk sulphur. Under this agreement the machine was to be operated by a watersider, or if it was operated by a member of another union, a watersider had to be employed as well (to 'double-man' the machine). This provided a strong incentive for the company

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[12] WIT Decision 301, 16/12/60. Waterfront Industry Commission Records, W3472, Box 55 (National Archives).
[13] WIT Decision 290, 25/8/60. Waterfront Industry Commission Records, W3472, Box 55 (National Archives).

to utilize a watersider for this job, and is a good example of the approach that the unions took to protecting gang manning at the local level.

But formal port agreements did not resolve all issues which emerged at the workplace level, and often there were disputes arising out of these agreements. For example, an agreement had been reached in 1958 at the Port of Wellington, through the Port Conciliation Committee, regarding the loading of palletized fruit using forklifts. But in 1961 a dispute flared over manning and task boundaries. The agreement provided for two watersiders to be employed by the stevedoring company, and two watersiders to be employed by the Harbour Board.[14] The problem was that, for some undisclosed reason, the tasks performed by the watersiders who were employed by the Company kept them occupied, whereas the two watersiders employed by the Harbour Board had little work to perform. The PEA sought to have the two groups of watersiders integrate their tasks, which the men and the Wellington Watersiders Union objected to. In its decision, the Tribunal noted:

> While we agree that it would be a simple way out of the difficulty if the ship's side and Harbour Board men were prepared to work as a team . . . we feel that weight must be given to the Union's objection to the Employers' proposal that the men should be required to work together to carry out such work as is required by either the ship's foreman or the Harbour Board foreman. The ship's side men and Harbour Board men are at present separately employed by different employers and the men in each category have well-recognized duties. If this system is to be changed it should be done upon a wider basis and not dealing piecemeal with individual cases where men in the two categories are working side by side. We are not at this stage prepared to direct the Harbour Board and the ship's side workers to integrate their work although it may be highly convenient for them to work together by agreement between themselves.[15]

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[14] In this context, 'to employ' simply means to requisition, and be allocated, watersiders from the local labour bureau.

[15] WIT Decision 344, 22/8/61. Waterfront Industry Commission Records, W3472, Box 55 (National Archives).

This case is interesting for two reasons. First, the Tribunal once again criticized the case-by-case way in which issues surrounding new technology were dealt with. Second, it indicates the extent to which the watersiders' local unions were prepared to police task boundaries, even on jobs where the tasks were performed merely by different groups of *watersiders*, by appealing cases to the Tribunal. I will demonstrate below that the issue of task boundaries became increasingly significant during the 1960s.

(4) Agreements Regarding New Technology

An interim summary is warranted at this point. The preceding disputes illustrate how new technology was first introduced, and how the issues it raised were dealt with. Rather than the introduction of new technology being negotiated over at the national level, issues of technological change were in the first instance dealt with at the local port level, and often resulted in disputes which, in turn, were arbitrated by the Tribunal. As we have seen above, the port unions were willing and had the organizational capacity to be able to dispute the terms on which new technology was introduced and utilized (whether it was through employer prerogative, or by formal or informal agreement). A former Secretary of the Port Employers Association at the Port of Lyttelton recalls that: "With . . . palletization, we were going to the PCC every two days at one stage" (interview). The preceding cases demonstrate that issues in dispute were frequently referred to Tribunal. And when a decision favourable to the port union in question was given, the Federations often sought to extend it to other ports. For example, in 1960 President Isbey of the North Island Federation highlighted a decision of the Tribunal:

> which ruled that the driving work on a potash boat . . . belonged to watersiders. This decision should be acted upon by every Port Union in regard to mechanical work brought in after 1953.[16]

In an article on arbitration systems, Littler et al. (1989:515) write of a "tendency amongst some employers to use tribunals to develop policies rather than taking a more proactive stance." Substituting 'unions' for 'employers', this comment partly characterizes the approach of the Federations towards technological change: leaving matters to be addressed at the local port level, dealing with disputes as they arose, and using favourable rulings of the Tribunal as precedents. In a sense, this approach reflected the nature of the watersiders' organizations: two loosely knit Federations of organizationally distinct and autonomous port unions. It also mirrored the way in which new technology was being introduced. Under the terms of the GPO individual employers could introduce new technology, and thus the Port Employers Association did not seek for it to be addressed nationally. The Association was content to allow individual employers to deal with new technology on a case-by-case basis, and dealt with disputes as they arose.

However, from the point of view of the Waterside Workers Federations, the problem raised by leaving these issues to be dealt with on a port-by-port basis, and following on the coat-tails of the port unions, was that practices surrounding new technology differed between ports. Often there was not a common approach to what port unions would dispute. Indeed at the North Island Federation's 1960 Conference, a delegate from Auckland (Jack O'Brian) stated that: "This Conference must lay down policy on mechanization and delegates must tell local unions they must carry it out."[17] Prior to this conference, a fully-fledged 'policy', as such, did not exist.

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[16] Minutes of the North Island Waterfront Workers Association Conference, 15/11/60. New Zealand Waterfront Workers Union Records, 92-305, Box 3/17 (Alexander Turnbull Library, NLNZ).
[17] Ibid.

The Federations' reliance on the port unions to deal with mechanization appeared to be not so problematic in the area of gang strengths, because this decentralized approach accorded with the fact that issues of gang manning had always dealt with locally anyway.[18] Indeed, it appears that the port unions were relatively successful in protecting gang strengths in the face of mechanization. For example, the former PEA Secretary at the Port of Lyttelton recalled many disputes in this area:

> At one time when what we called modernization started to come in, even in the form of pallets and forkhoists that were used to lift the pallets, and unitized wool and bulk tallow, whereas the drums used to be man-handled and you need far more men. I hadn't been there long . . . and the whole port was stopped for 16 days because the Union just wouldn't accept that their gangs would be cut down from 20 men to about 3. And that was the beginning of modernization. And every time we had anything new we had stoppages. (Interview)

But in the area of work coverage the Federations' reliance on the port unions did pose problems. Although, in general, driving mechanical equipment on the ship was regarded as watersiders' work both by the Federations and the port unions, there were some differences in port practice on this issue, and even more differences regarding driving equipment on the wharf. Consequently, one of the outcomes of the 1960 North Island Federation Conference was that it passed the following remit:

> All mechanised equipment shall be operated by Waterside Union labour on the ship and on the shore where such operation entails the

[18] Even in the national agreement settled in 1962 (GPO 198) there were still no manning schedules for (or even mention of) forklifts, bulldozers and so forth. These issues were all dealt with in local port agreements.

> loading or discharging of cargo direct from the ship or on shore or vice-versa.[19]

It should be noted, however, that this remit was as much pushed for by delegates (like Jack O'Brian) from unions such as Auckland, who were proactive in defending these task boundaries, as by members of the Federation's executive.

In terms of negotiations with employers over mechanical equipment, apart from achieving minor modifications to the GPO, the Federations did not act on a national basis until they were forced to do so by issues of work coverage. Unlike issues of gang strengths, which always differed between ports anyway, work coverage posed a threat to occupational boundaries as a whole. To be sure, not all issues of, and disputes over work coverage centered on new technology.[20] But, from my reading of the Waterfront Industry Tribunal's decisions, it appears that there was an increasing number of demarcation disputes in this area which did involve new technology. These jurisdictional disputes were over which unions' members should operate the machinery in question, usually watersiders or harbour workers (but on occasion other groups like 'permanent hands' were involved). New technology became the most common source of demarcation disputes, and was to pose the greatest threat to watersiders' occupational boundaries.

As I noted above, the definition of 'waterside work' contained in the Waterfront Industry Act 1953 allowed for disputes to arise over 'jurisdictional claims', which were caused by the introduction of new technologies. The Federations' initial

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[19] Minutes of the North Island Waterfront Workers Association Conference, 15/11/60. New Zealand Waterfront Workers Union Records, 92-305, Box 3/17 (Alexander Turnbull Library, NLNZ).

[20] For example, in 1961 there was a jurisdictional dispute regarding whether watersiders or members of the Tally Clerks Union should do the work of tallying at the new wharves at the Port of Bluff (which was one of the few ports in the country where watersiders actually did tallying work). In this case, the Bluff Union was successful in retaining work coverage (WIT Decision 347, 4/10/61). Similarly in 1958 a dispute occurred at the Port of Auckland between watersiders and ships' carpenters over who had the right to remove ship's dunnage. Waterfront Industry Commission Records, W3472, Box 55 (National Archives).

response to this threat to watersiders' work coverage was an attempt to modify Clause 27 (j) of the GPO (which regulated the introduction of new technology) when it was renegotiated in 1960. They sought to add a provision to the effect that "all mechanized equipment used in the loading or discharge of cargo should in future be handled by [Waterfront] Union members." This amendment was rejected outright by the PEA's negotiators, who described it as an attempt "by the union to further restrict the rights of employers in relation to the use of mechanical equipment."[21] It was then submitted to the Tribunal as a 'matter in dispute'. However the Federations were unsuccessful because, despite the fact that the Tribunal had ruled on other similar matters prior to this time, the Tribunal invoked s 11(2) of the Waterfront Industry Act 1953. The Tribunal interpreted the Act to the effect that it could not make a ruling on "new forms of mechanical equipment" because it had no power to make Principal Orders that applied to work which, prior to the Act, "was not customarily performed by waterside workers."[22]

It was partly because of this ruling that there were further national negotiations on this issue. But these discussions were also prompted by a serious 'demarcation dispute' at Lyttelton in 1961, which centered on a local practice regarding the role of permanent hands in the driving of forklifts. These workers, who were not watersiders, were permanent employees of the Union Steam Ship Company and members of the Foremen-Stevedores, Timekeepers and Permanent Hands Union. They did various tasks such as working in the gear stores, cleaning and so forth. At Lyttelton (and most likely at other ports also) there always had been tensions between watersiders and the permanent hands. A foreman-stevedore (Ray), who had first worked on the waterfront as a permanent hand, explains:

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[21] Cited in WIT Decision 282, 2/6/60. Waterfront Industry Commission Records, W3472, Box 55 (National Archives).
[22] WIT Decision 280, 11/5/60. Waterfront Industry Commission Records, W3472, Box 55 (National Archives).

> In those days we were sort of looked down on by the watersiders as being permanents, we were permanent men of the Union Company, and they frowned on that because we didn't have the clout they had. And any job they refused to do, we were given the job, the rough end of the stick, real dirty jobs. Any company business was our business, that's what we were told when we started. So we could be in a dinghy recovering a body out of the harbour, we could be dragging for lost cargo, we could do anything that no-one else would do. As work became a little tighter, a little scarcer, they claimed the work that we did. (Interview)

The area where the dispute erupted was in the driving of forklifts aboard vessels. Originally at Lyttelton permanent hands had driven forklifts. Ray said that:

> we drove the original forklifts on the wharves. The Union Company about 1957, I think, got two forklifts and they were the first company in the Port of Lyttelton to own forklifts. So the permanent hands drove them. And they were mainly used at the ferry for baggage, mail and the odd general purpose. . . . That's the thing most people don't realize, that the watersiders weren't the original drivers in the Port of Lyttelton. They were Union Company men, they were *company* men. (Interview)

It was when the Union Steam Ship Company began to use forklifts driven by permanent hands on board ships that the dispute occurred. Baden Norris, in his history of the Lyttelton Union, provides the following account:

> A major dispute flared up in February [1961] over the driving of fork lifts in the ship's hold. Up until this time, it had been done by company permanent hands and this practice had never been accepted by the Lyttelton Union, so matters came to a head when the *Waipori* was loading deep frozen products and a fork lift was employed. The watersiders refused to work with the machine unless it was manned by a member of the watersider's [sic] union. The Port Conciliation Committee sat and the chairman ruled in favour of the permanent hands continuing to operate. This decision was not accepted by the men and they walked off the job, followed by all the labour and that ship and one other Union Steam Ship Company Vessel (1980:184).

The dispute lasted for four days, and was only resolved by an agreement that a national conference of waterfront unions and employers would be held to deal with the issue.

Thus it was disputes over local practices and agreements which resulted in the issue of work coverage having to be dealt with on a national basis. In a sense, this dispute forced both of the national organizations (of the unions and the employers) to take the issue up: by the Federations in an attempt to secure national coverage of this type of work, and by the PEA to forestall costly local disputes over this issue at other ports. As was often the case when demarcation disputes occurred, the unions involved referred the dispute to the Federation of Labour (FOL), and in March 1961 a conference was held involving representatives of the PEA, the Harbour Board Employers Union, the Harbour Workers Union, the Foremen Stevedores, Timekeepers and Permanent Hands Union, and the two Waterside Workers Federations.[23] As Jim Roberts, the General Secretary of the South Island Federation, later stated: "They argued the subject for two days."[24] However the FOL was unable to resolve the dispute and it was referred back to the parties involved.

Subsequent meetings between the PEA and representatives of the two Federations were held, and later in March 1961 an agreement was reached regarding work coverage and manning levels. The approach of the Federations is succinctly summarized in a statement by one of the watersiders' representatives recorded in the minutes of the original conference:

> The Unions were not trying to stop the introduction of [mechanical] equipment but they must protect the gang strengths. . . . The Union

[23] See Roth (1973:140) for a discussion of the role of the Federation of Labour in the settling of demarcation disputes.

[24] Minutes of South Island Waterside Workers Federation Conference, 28/11/61. New Zealand Waterfront Workers Union Records, 92-305, Box 1/14 (Alexander Turnbull Library, NLNZ).

> had no argument with the Harbour Boards Employees Union or the Permanent Hands, but they could not allow any extension of their work.[25]

It was largely because watersiders and their local unions, supported by their respective Federations, were willing and had the organizational capacity to dispute in this area, that employers were forced to agree to work coverage for watersiders. Undoubtedly it also represented the 'lesser evil' for the PEA, as the issue threatened to escalate into a major dispute, which far outweighed the benefits to be gained from depriving watersiders of this work.

Jim Roberts, in his report to the South Island Federation's annual conference, provided a summary of the terms of the agreement, which applied nationally:

> The employers agreed that all mechanical equipment aboard ship in conjunction with loading or discharging cargo should be recognized as waterside work. In the case of bulk cargoes where the mechanical equipment used was not owned by the employer or could not be hired without the owner's operator, it was agreed that an additional watersider be employed to equate this operator; forklifts or any other mechanical appliance on board vessels for handling other than bulk cargoes to be operated by waterside workers; the question of wharf work involving the operation of mechanical equipment to be discussed by the parties at the various ports.[26]

The agreement also re-afirmed the exclusive right of watersiders to operate ship's cranes and stationary winches. Thus watersiders secured work coverage on relatively favourable terms (as indicated particularly by the 'double-manning' of bulldozers used to unload bulk cargoes). Under this agreement, however, the issue of wharf work remained unresolved. The agreement specifically stated that "in respect of wharf work involving operation of mechanical equipment, that any

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[25] Minutes of Special Conference on Mechanical Equipment, 2/3/61. Waterfront Industry Commission Records, W3472, Box 142, 5/605 (National Archives).
[26] Minutes of South Island Waterside Workers Federation Conference, 28/11/61. New Zealand Waterfront Workers Union Records, 92-305, Box 1/14 (Alexander Turnbull Library, NLNZ).

problems . . . shall, if possible, be resolved by discussion between all the parties concerned at the various ports in view of the different local circumstances at these ports."[27]

This latter part of the agreement reflects the fact that practices in this area differed between ports; at some ports watersiders drove equipment owned or supplied by harbour boards (primarily forklifts), and at others this equipment was driven by harbour workers. But it also reflects the number of organizations that were marshalled against watersiders in this particular jurisdictional dispute, and the degree of resistance they faced. Watersiders were confronted, not only by the PEA, but also by the Harbours' Association and the Harbour Workers (between which the FOL was unable to broker a deal). As Jim Roberts commented in late 1961: "It would appear that the employers are determined to deprive the waterside workers of the work of operating these machines in the handling of cargo to and from vessels."[28] Representatives of the two watersiders' Federations discussed this matter, and they subsequently amended their claims to exclude driving on the wharf equipment which was owned or supplied by harbour boards. The degree to which broader forces were allied against the watersiders on this issue is indicated by the fact that this jurisdictional boundary was subsequently encoded in the Waterfront Industry Act when it was amended in 1964.[29]

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[27] Agreement On Mechanical Equipment Between Port Employers' Association and the North Island Waterfront Workers' Association and the South Island Waterside Workers Federation, 1961. Waterfront Industry Commission Records, W3472, Box 142, 5/605 (National Archives).

[28] Minutes of South Island Waterside Workers Federation Annual Conference, 28/11/61. New Zealand Waterfront Workers Union Records, 92-305, Box 1/14 (Alexander Turnbull Library, NLNZ).

[29] Section 6(2)a of the Waterfront Industry Amendment Act 1964 states that: "No principal order shall apply with respect to work of driving or operating the controls (other than emergency controls) of any mechanical equipment on any land, premises or wharves controlled by a Harbour Board where that equipment is owned or provided by a Harbour Board and the work is done by persons employed by the Harbour Board . . . unless the Tribunal is satisfied that every employer and every organization of employers or workers which will be affected by the order agree to it applying to that work."

It will be recalled that Federation officials, from the mid-1950s onwards, made pronouncements supporting the introduction of new technology in order to 'lighten the load' of watersiders. While these officials supported the introduction of new technology, this was conditional upon watersiders receiving a share of its attendant benefits. However, until the Conference in 1961, the approach that was adopted by the Federations was to deal with this issue at the local level. A remark by a representative of the Waterside Workers Union at the Conference in 1961 hints at the reason for this approach:

> It was not possible to treat the problem in the same way as had been done in other countries, because mechanization was only being introduced into New Zealand in bits and pieces.[30]

The way of dealing with mechanization that is being referred to is that of agreements such as the American West Coast's 'Mechanization and Modernization' agreement. As I noted above, part of the reason why the introduction of new technology onto the New Zealand waterfront was dealt with in an essentially decentralized manner, at the local level, was that the terms of the GPO already allowed some room for individual employers to introduce new machinery, and thus they did not need an overarching agreement (like M&M) to deal with this. It also reflected bargaining practices generally, which always had had a significant decentralized component. This decentralized approach to mechanization continued until a series of disputes built up to the point that the Federations and the employers were 'forced' to deal with it nationally in 1961. But unlike the American M&M agreement, the 1961 agreement was not part of any broader set of trade-offs regarding the introduction of new technology.

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[30] Minutes of Special Conference on Mechanical Equipment, 2/3/61. Waterfront Industry Commission Records, W3472, Box 142, 5/605, (National Archives).

(5) The Lead-up to Containerization

The 1961 agreement by no means resolved all of the problems which mechanization engendered. Disputes over the use of new technology continued to arise during the 1960s, and came to a head with containerization. However, what pre-container technological change did was stimulate the Federations to develop and implement policies. For instance, in 1964 the Seaman's Union called a conference of all maritime and transport unions to discuss the effects of mechanization. The representatives at this conference agreed that the unions themselves would attempt to resolve disputes over work coverage, and that the Federation of Labour would mediate these discussions (although, as we will see below, this approach was not always accepted by watersiders).

This latter conference was held at a time when the waterfront employers were agitating for greater flexibility in the use of new technology. It was also during the tenure of the Streamlining Committee which, as I demonstrated in Chapter 5, was a time of considerable uncertainty for the port unions.[31] At a meeting between the PEA and the North and South Island Federations, which was held in late 1963 in anticipation of the Committee's findings, Viv Blakeley (the PEA Chairman) commented that "some companies were anxious that there should be more cooperation from the unions on the use of mechanical equipment."[32] And when it was published in full, in 1964, the 'Streamlining Report' *inter alia* recommended the introduction of mechanical equipment.[33]

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[31] For a discussion of the origins and significance of the Streamlining Committee, and the report it issued, see Chapter 5.

[32] Minutes of Meeting Between Representatives of the PEA and the North and South Island Watersiders Federations, 9/10/63. New Zealand Waterfront Workers Union Records, 92-305, Box 2/14 (Alexander Turnbull Library, NLNZ).

[33] Although the Streamlining Report did not recommend the introduction of containers, which it deemed to be "unsuitable for the New Zealand trade at present", it did recommend further palletization and use of conveyors: "The development of cargo handling which we think shows the best prospect of benefit for New Zealand is mechanical loading and unloading by conveyors" (1964:135).

The other threat that was looming on the horizon was containerization. Records of the Federations and the port unions show that containers were being discussed by watersiders' representatives as early as 1963 (based on the overseas experience). The issues discussed were typically the possibility of redundancies and potential threats to work coverage. But despite these discussions, correspondence between the port unions and the Federations suggest that the Federations still were not entirely proactive on the issue of containerization. In 1964, shortly after the Streamlining Report was published, the Secretary of the Dunedin Union (M. Lawless) wrote on two occasions to the General Secretary of the South Island Federation (Paddy Weith). The first letter explained that two delegates from the Wellington Union had visited the port and addressed the members on the recommendations of the Streamlining Report, particularly with respect to technological change (including containerization). Lawless wrote:

> What they came for was to get support from the rank and file of our union to have a meeting off [sic] all concerned in the near future to discuss these problems and bring down an agenda to present to both Federations, and see if we can't get something to work on, and be ready for the next blows from the Streamlining Committee.[34]

Although this could be construed as an attempt to motivate the rank and file over issues including technological change, it was largely done in order get the Federations to establish a policy. There are parallels here with the first round of technological change. I am not suggesting that Federation officials were shortsighted, but rather that there were continuities in approach in adopting a 'reactive' stance, with issues of new technology being dealt with in the first instance by the port unions.

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[34] Letter from M. Lawless to P. Weith, 11/3/64. New Zealand Waterfront Workers Union Records, 92-305, Box 2/14 (Alexander Turnbull Library, NLNZ).

Nonetheless, by the mid-1960s, the Federations' officials had recognized that containerization would place them in a very different position regarding bargaining. At the South Island Federation's conference in 1966, the President commented on the topic of containerization that: "we along with other workers in this country and indeed throughout the world are poised on the threshold of an industrial revolution far greater than any that has gone before."[35] Central to the recognition of the dramatic consequences of containerization was the view that bargaining would mean that trade-offs were required in order to secure the benefits of the new technology. In 1966, under GPO 247, a 'Modernization Fund' was introduced. Briefly, it was an employer-funded measure which provided various benefits (retirement, death, sickness), long service leave, increased guaranteed minimum wages, as well as personal welfare and hardship grants. As I noted in Chapter 5, these monetary benefits were traded off against the revision of sling loads and gang strengths, in line with mechanization, and the provision that 'special work' could be performed outside of the normal 10 hour day. The PEA's position was that:

> the Association's negotiators had been prepared to introduce a Modernization Fund but, at the same time, had been determined . . . that they should be satisfied that good value was obtained in return by way of improved working conditions.[36]

This was the first step towards a *quid pro quo* regarding mechanization, of the type that occurred around the world, which centered on what Turnbull et al. (1992:44) refer to as "a trade-off between 'modernization' and job and/or income security." But the New Zealand agreement was very limited, and by no means approximated the American M&M agreement wherein "the employers determined to 'buy-out' the union rule book" (ibid:45). It will be recalled from the preceding

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[35] Minutes of South Island Waterside Workers Federation Conference, 29/11/66. New Zealand Waterfront Workers Union Records, 92-305, Box 1/14 (Alexander Turnbull Library, NLNZ).
[36] PEA Management Committee Meeting 380, 19/5/65. Port Employers Association Records, 89-395, Box 203 (Alexander Turnbull Library, NLNZ).

chapter that at this time, bolstered by a very real and compelling strike threat, the Federations were negotiating from a position of some considerable strength. Consequently, it appears that, despite the employers' intentions, gang strengths did not decrease markedly (there were numerous disputes over this issue at the port level).

Despite the *quid pro quo* associated with the Modernization Fund (and although the issue of driving machinery on the ship was resolved), issues of work coverage continued to be raised by mechanization. Containers were being introduced, much as in the first round of mechanization, in a sporadic fashion. The vessels introduced from the mid-1960s onwards were invariably ro-ros (as the first cellular vessel did not arrive in New Zealand until 1971). Notably, the Union Steam Ship Company's 'Seacargo Terminals' were established initially at the ports of Auckland, Lyttelton, Wellington and Dunedin (see Chapter 8). These terminals were leased from the local harbour boards for the exclusive use of the Union Company's vessels. The port unions and the Federations supported the introduction of these terminals and in 1967 negotiated a special principal order to govern work within them. Under this agreement, the terminals had their own workforce of watersiders, secured from the local bureaux on a rotational basis for several weeks at a time.[37] But, as will see below, this agreement did not resolve all of the issues regarding the containers that were moved through these terminals. Furthermore, other companies began to introduce ro-ro vessels; for example, by 1967 Holm and Co. were operating such a vessel at the Port of Lyttelton, and the Northern Steamship Company was operating one at Auckland.[38] The numbers of demarcation disputes increased, and these increasingly centered on container jobs

[37] The numbers of watersiders *in toto* employed at these terminals was relatively small, numbering only 81 in 1969 (WIC Report 1970:13).
[38] These vessels were worked under principal orders negotiated by the union at each port.

- as in 1966 at Lyttelton over the link-span for the ill-fated 'Wahine' (Norris 1980:200).[39]

In what were to become prophetic words the Waterfront Commissioner (A. Bockett), in a report jointly prepared with the Secretary of Labour (N. Woods) in 1967, predicted increasing numbers of demarcation disputes over the issue of containerization:

> The introduction of mechanical methods of cargo handling and the carrying out of this work by workers other than watersiders who had previously done this work manually has been the cause of a number of union demarcation disputes, and this type of dispute is likely to increase in future with pending increases in the mechanization of cargo handling by the use of unit loads and containers.[40]

Similarly Judge Archer, the Chairman of the Waterfront Industry Tribunal, remarked in an address to the Harbours' Association in 1966 that although the driving of mechanical equipment on the wharf by harbour workers had been given statutory recognition in 1964, and waterside workers had secured the work of driving this equipment aboard vessels in 1961, there were jobs which lay in the middle of this legally recognized jurisdictional settlement which were the subject of disputes:

> In such cases a Harbour Board will generally support the claims of its employees and in some cases handle their claims for them. Watersiders may find themselves opposed not only by the Harbour

[39] The 'Wahine' sank on April 10, 1968.

[40] A. Bockett and N. Woods, "Integration of Main Waterfront Employers and Workers Under One Judicial Authority", April 1967. The report, which was submitted to the Minister of Labour, argued that as a result of increasing numbers of demarcation disputes associated with containerization "the conciliation and arbitration machinery of all main waterfront employers and employees should be brought under one special judicial authority". Waterfront Industry Commission Records, W3472, Box 237 (National Archives).

> Board Employees' Union but the Port Employers Association, the Harbour Board concerned, and by your Association.[41]

Furthermore, he admonished the Association that:

> The hope that watersiders may be got rid of by new methods of cargo handling or their functions taken over by Harbour Boards' permanent staff seem to me to be illusory and ill-advised. It would be better in my view for Boards to encourage a greater degree of integration between the work of Harbour Boards' employees and that of watersiders. . . . Both Port Employers and Harbour Boards must learn to live with the men employed on the waterfront, to whatever union they may belong, and should seek by more active and imaginative methods to improve their relationships with them.[42]

As we will see below, these too were prophetic words, for they foreshadowed the manner in which the workforce of container terminals was established - although not because of the foresight or forbearance of either group of employers.

The possibility of a large-scale shift to containerization was one of the precipitating factors which gave rise to New Zealand's 'Waterfront Conference', which I will deal with in the next section. The Molyneaux Committee had in its 1967 report recommended the introduction of a container service between New Zealand and Britain.[43] The need for attendant changes in the terms and conditions of watersiders was at least implied, if not explicitly recommended, in the Report. However, while the Conference started off with a brief to examine *inter alia* the effects of containers, as we shall see, it ended up not doing so.

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[41] Speech by Judge K. Archer to the Harbours' Association Conference, 16/3/66. Waterfront Industry Commission Records, W3472, Box 14 (National Archives).
[42] Ibid.
[43] This Committee was established in 1966 by the four British Conference Lines to examine the feasibility of introducing new mechanized methods of cargo-handling. The Committee was made up of a representative of each line, with W. Molyneaux as the independent chairman. As Hunter (1972:182) notes, "The committee's terms of reference were wide and in particular they were requested to examine and report on whether all or part of the cargoes could be handled more economically or efficiently by: Containers, pallets, standard loads or packs, and any other new or improved manner such as mechanical loading."

(6) The Waterfront Conference

New Zealand's Waterfront Conference was modelled on an Australian precedent. In 1965 a National Stevedoring Industry Conference was created by the Government in Australia (see Deery 1978). This Conference, which continued until 1967, was established in order to facilitate the modification of the industrial relations framework at a time of "exceptionally high industrial unrest", but its brief expanded to incorporate "wide ranging discussions aimed at planning and reorganizing an industry which was in the process of being transformed by imminent and rapid technological change" (ibid:207). As a result of these negotiations, a system of 'permanent employment' was established whereby Australian waterside workers at the major ports were directly employed by stevedoring companies, or by 'Holding Companies' established by these latter, in return for a guaranteed weekly wage (see Deery 1978:210). As Turnbull et al. (1992:44) note, this was part of a change that occurred around the world in response to containerization: "The basic formula everywhere was the same - the 'buy-out' of casual employment and all the associated casual work practices in exchange for employment/income security".

New Zealand's Waterfront Conference was initiated by the Minister of Labour (Tom Shand) in 1967, the year that the Australian Conference was brought to a conclusion.[44] Formally, the purpose of the Conference was:

> to initiate an exchange of views and so far as possible reach agreement as to new terms of employment for waterside workers, having regard to the urgent need of increasing the efficiency of cargo-handling and expediting the turn-round of shipping. . . . The Conference shall have regard not only to conventional procedures but to the changes in cargo-handling procedures which may result

[44] The first meeting of the Conference was held in February 1968.

> from the adoption of unit-handling techniques, or the introduction of container ships or other vessels designed for new methods of cargo-handling.[45]

The Conference was supported both by the Port Employers Association and the Waterside Workers Federation, although the support of the Federation could at most be described as 'qualified'. The Conference comprised representatives of these organizations, as well as the Federation of Labour, the Harbour Workers Union, the Harbours' Association, the Waterfront Industry Commission, and the Department of Labour.[46] The Chairman of the Waterfront Industry Tribunal, Judge Archer, doubled as the Conference Chairman.

Despite the array of organizations represented, there is no doubt that the main participants were the Port Employers Association and the Waterside Workers Federation. The Harbour Boards and Harbour Workers' Union were only represented in order to get their view concerning the integration of hours and conditions of work between watersiders and harbour workers. The Conference had a conciliation function only, and thus only had the authority to recommend changes rather than the authority to enforce an agreement. Furthermore, it was agreed when the Conference began that, like the GPOs, no agreement would be binding on any watersider until it was confirmed by a national ballot of the members of each port union. The Conference proceeded on the understanding that the Waterfront Industry Commission and Waterfront Industry Tribunal would remain intact, but the parties could jointly recommend changes to the Waterfront

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[45] Document entitled "Purpose and Functions of the New Zealand Waterfront Conference". New Zealand Waterfront Workers Union Records, 92-305, Box 35/11 (Alexander Turnbull Library, NLNZ).

[46] The Conference comprised the following participants: the Chairman; 2 representatives of the Overseas Shipowners Committee; 2 representatives of the New Zealand Shipowners' Federation; 2 representatives of the Overseas Shipping Lines; 1 representative of the Port Employers Association; 4 representatives of the Waterside Workers Federation, 1 representative of the Harbours Association; 1 representative of the Harbour Workers Union; 2 representatives of the Federation of Labour; 1 representative of the Waterfront Industry Commission; 1 representative of the Department of Labour.

Industry Act 1953 (which, at least in theory, could involve changes to these latter institutions which were established by the Act).

The degree to which the Conference was modelled on the Australian one (and the extent to which developments in other countries were taken into consideration) is indicated by Judge Archer's comments at one of the first meetings of the Conference:

> The need for major changes on the waterfront has been recognized, and a measure of success achieved, in many other countries, and we should be encouraged by what has been done in North America, in Britain, and more particularly in Australia. I make no apology for suggesting that we should take considerable notice of what has been done in Australia.[47]

At the first meeting all members had copies of the agreement which resulted from the Australian National Stevedoring Industry Conference. But if the intent was the same, the outcome (as we shall see) was very different.

As is apparent in the formal aims of the Conference, there was a consensus regarding an attempt to negotiate new conditions of employment. Inevitably this involved negotiating a *quid pro quo* of the type referred to earlier, wherein 'modernization' was traded off against more secure income and employment (see Turnbull et al. 1992:44). Ted Thompson, the Assistant General Secretary of the Waterside Workers Federation (who attended meetings of the Conference) wrote:

> With the approval of the Employers and Workers' Organizations the Government set up a Waterfront Industry Conference comprised of Employer [and] Worker representation. . . . There was a lengthy agenda but the objective was to endeavour to develop changes in the industrial scene and working conditions without stand-off disputes which were becoming apparent at this time with

[47] Minutes of Waterfront Conference Meeting Number 2, 5/2/68. New Zealand Waterfront Workers Union Records, 92-305, Box 36/1 (Alexander Turnbull Library, NLNZ).

> changes in cargo presentation requiring altered methods of handling. It was hoped to rationalize some aspects of work and to change conditions for both employer and worker and to do this by 'agreement'.[48]

While the Modernization Fund effected some trade-offs regarding the introduction of new technology, it did not fundamentally alter the terms of employment. Indeed, this latter was done via the Waterfront Conference, although largely in the absence of an explicit agreement surrounding the terms on which container work would be performed. While there was a general sense in which the trade-offs achieved at the Conference compensated for the potential effects of containerization on employment and income security, as we shall see, the actual details of the *quid pro quo* that was subsequently brokered applied mostly to the terms and conditions for conventional work.

The Conference Agenda was apparently drawn up by the employers.[49] It listed a number of items: terms of employment (including permanent employment and permanent gangs), hours of work, incentive schemes and training schemes, discipline, the Modernization Fund (including mechanization and redundancy), wet weather work, and 'matters affecting the turnaround of shipping' (including delays, demarcation disputes and restrictive practices). However, after discussions over a few months the agenda was distilled down to just a few key items that the parties focused on in depth. These items (which I will discuss below) were central to the agreement that was finally reached.

In Britain and Australia, as Turnbull et al. (1992:44-5) point out, "the dominant cause of the industrial unrest and the 'restrictive practices' that dogged the

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[48] E.G. Thompson, 'History of Container Introduction and Development on New Zealand Waterfronts' (Waterside Workers Federation Circular), 1980.

[49] This comment was made by a delegate at the Waterside Workers Federation's conference in 1968. Minutes of Waterside Workers Federation First Biennial Conference, 18/11/68. New Zealand Waterfront Workers Union Records, 92-305, Box 13/3 (Alexander Turnbull Library, NLNZ).

industry was deemed to have been the casual nature of waterfront employment". Similarly in New Zealand it was the indirect employment relationship, resulting from the existence of the Waterfront Industry Commission, which was regarded by the Port Employers Association as the 'source of all evil' in waterfront industrial relations.[50] Thus the employers entered the Conference, and like their Australian counterparts had achieved, immediately sought a version of direct permanent employment via a 'Holding Company.' Consequently the first item on their agenda was an attempt to abolish the Waterfront Industry Commission. General Secretary Napier commented at the national Waterside Workers Federation's first conference in 1968 that: "One of the first employer demands at the [Waterfront] Conference was to abolish the W.I.C."[51]

The following excerpt from a PEA Management Committee meeting, which provides the rationale for this gambit, is worth quoting at length:

> The proposal which was basic to all else was that the waterside workers should be engaged under permanent conditions, the aim being to gain major improvements in working facilities and industrial relations. It was recognized, because of the seasonal nature of New Zealand's trade and the widely differing fluctuations in labour requirements, that only a limited number of companies could employ a permanent staff of waterside workers, so that the balance of the labour force would be engaged on a permanent basis as a pool of labour to be made available to individual companies as required. This pool of labour would be controlled by the direct employers at each port. It was anticipated that a national organization, either the Port Employers Association or a subsidiary closely allied thereto, as a holding company with branches at the ports, would finance the scheme by way of a national levy. The administration must be such that the employers at a port collectively dealt directly with their own labour and had the opportunity of building a better relationship with the men.[52]

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[50] In this context, 'casual employment' and 'indirect employment' refer to the same type of arrangement.

[51] Minutes of Waterside Workers Federation First Biennial Conference, 18/11/68. New Zealand Waterfront Workers Union Records, 92-305, Box 13/3 (Alexander Turnbull Library, NLNZ).

[52] Minutes of PEA Management Committee Meeting 429, 21/2/68. Port Employers Association Records, 89-395, Box 203 (Alexander Turnbull Library, NLNZ).

An important part of this proposal was that the PEA estimated that employers would not have to pay any more to finance this scheme than they did already through the levies which funded the Commission. In effect, the proposed arrangement was identical to the one which had been adopted in Australia where some watersiders were employed directly by stevedoring companies (who were referred to as 'operational' employers), and others were employed by a holding company funded by a group of stevedoring companies (see Deery 1978:210). And at various points Viv Blakeley, the Chairman of the PEA, actually cited the case of Australia in support of the employers' proposals.

The Conference minutes show that a number of discussions on this matter were held at meetings during the first sixth months of the Conference. Throughout these discussions the Federation's representatives strongly resisted any attempt to abolish the Commission, and in this they were supported by the Commissioner himself. Typical comments on this matter from each side are as follows. At the fifth meeting of the Conference the matter was fully aired. The position of the Federation is indicated by General Secretary Napier's comment, that to abolish the Commission:

> would be in our view a retrograde step. We have had difficulties with the Waterfront Industry Commission but on balances they have been a steadying influence and probably good for the industry.[53]

President Eddie Isbey put it in stronger terms (harking back to the days of the 'auction block' system): "The waterside worker of New Zealand does not want

[53] Minutes of Waterfront Conference Meeting 5, 11/6/68. New Zealand Waterfront Workers Union Records, 92-305, Box 36/1 (Alexander Turnbull Library, NLNZ).

permanency no matter what the set-up is. . . . We have had bad experience of employment directly by employers."[54]

By the sixth meeting of the Conference direct employment was abandoned by the PEA as unobtainable, given the vehement resistance by the Federation's representatives. In the words of Judge Archer, after another lengthy discussion of the matter, "I think we have covered this [issue] fairly fully. It does appear that the workers do not favour elimination of the Commission. It is set up by statute and could only be removed [the] same. This may [only] be done if complete agreement was reached in this."[55] This impasse effectively put an end to the discussions on this topic. The PEA did suggest, however, that the Commission be reconstituted to "a representative Commission so that it became part of the industry rather than an independent third party."[56] Although this suggestion received support from the Federation, this suggestion was left to 'float' until near the end of the Conference, as the discussions then moved on to other areas.[57]

In short, the employers wanted permanent employment but could not get it. The two conditions that the PEA then focused on were the introduction of shiftwork and wet weather work. The divisions within the PEA (between the Overseas Shipowners and the New Zealand Shipowners Federation) which previously had been apparent over the issue of shiftwork had been resolved, and it was sought in order to extend the hours of work. Similarly, wet weather work was sought in order to minimize (the not insignificant) delays to work which occurred in inclement weather.

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[54] Ibid.
[55] Ibid.
[56] Minutes of PEA Management Committee Meeting 440, 19/5/68. Port Employers Association Records, 89-395, Box 203 (Alexander Turnbull Library, NLNZ).
[57] Minutes of Waterfront Conference Meeting 8, 12/8/68. New Zealand Waterfront Workers Union Records, 92-305, Box 36/1 (Alexander Turnbull Library, NLNZ).

The attitude of the Federation to the proposal for shiftwork is summed up in the following statement from the Conference minutes: "The feeling of the Port Unions was that in contrast to other industries, shift work was to be an innovation on the waterfront and that waterside workers would expect to receive adequate recompense for agreeing to it."[58] Consequently the Federation's representatives sought substantial penal rates for a second (night) shift. In response, the PEA even tried giving shiftwork another name. At a PEA Management Committee meeting a representative of the Overseas Lines stated that "It was desirable to avoid the use of the term 'shift work' in respect of the night hours proposed", and the Committee decided that "the employers' representatives on the Waterfront Commission be authorized to negotiate for the introduction of shift work but under another name."[59] This was really 'a rose by any other name' and did not resolve the issue. By this time the sticking point was not merely that the Federation sought a penal rate for the 'supplementary hours'.

It became apparent the Federation would only agree to these changes to the conditions of work if a permanent 40 hour week was introduced, in order to provide a greater measure of income security than the existing system of guaranteed wages. As the PEA Management Committee minutes state:

> At the last sitting of the Waterfront Conference the union representatives had made it quite clear that if the employers wanted improvement in working conditions in the way of shift work and wet weather work, then the unions would require a system of permanent employment on the basis of 40 hours at ordinary time per week, with overtime being paid for work outside the 40 hours. If permanent employment, which would compensate the men for the removal of much of the unproductive paid time, was not agreed,

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[58] Minutes of Waterfront Conference Meeting 9, 9/9/68. New Zealand Waterfront Workers Union Records, 92-305, Box 36/1 (Alexander Turnbull Library, NLNZ).
[59] Minutes of PEA Management Committee Meeting 448, 6/11/68. Port Employers Association Records, 89-395, Box 204 (Alexander Turnbull Library, NLNZ).

> then the unions would not be prepared to proceed with shift work and wet weather work.[60]

Thus the form of 'permanent employment' that the Federation sought to introduce was not direct employment by stevedoring companies as such, but rather the payment to watersiders of a standard 40 hour weekly wage irrespective of whether work was available for them to perform (to replace the system of guaranteed wages). The PEA immediately balked at the suggestion, as it stood. The Conference minutes record that:

> Mr Blakeley stated that when the employers had put forward their original proposals, those relating to permanent employment represented a package deal which was designed to maintain costs.[61]

The PEA regarded the suggested form of 'permanent employment' as being too expensive. However, over a period of time, the PEA's representatives decided that in order to secure the introduction of supplementary hours and wet weather working, they were prepared to concede a permanent 40 hour week (at the major ports) - based on a series of other trade-offs.

From this point onwards, the Conference essentially became a forum for negotiations between the PEA and the Federation in order to settle a new General Principal Order. The Federation secured the consent of the port unions to hold over the claims for an order to replace GPO 279 (which expired in February 1969) until the Conference had finished. Between May 1969 and March 1970 the Conference did not meet as these negotiations proceeded. Indeed Ted Thompson recalls how at this time the Chairman of the Conference, Judge Archer, became disgruntled at how the Conference was being conducted, particularly with work

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[60] Minutes of PEA Management Committee Meeting 449, 20/11/68. Port Employers Association Records, 89-395, Box 204 (Alexander Turnbull Library, NLNZ).
[61] Minutes of Waterfront Conference Meeting 11, 6/11/68. New Zealand Waterfront Workers Union Records, 92-305, Box 36/1 (Alexander Turnbull Library, NLNZ).

being done in a committee, the recommendations of which he only rubber-stamped.[62]

By March 1970 agreement had been reached on a number of issues, with each side making concessions. The PEA had agreed to the Federation's version of 'permanent employment' at the 12 major ports, together with increases in the hourly rate and other rates, and increased retirement benefits. In return the Federation had agreed to supplementary hours of 7 hours per day at the 'permanent ports' (although at the same rate as normal hours), wet weather work, and a revised incentive bonus scheme based on tonnage handled. Another concession made by the employers was in allowing the restriction of casual labour (see Chapter 10). The terms of redundancies were also discussed, and it was agreed that no redundancies would occur during the course of the new GPO, but that in the interim representatives of the PEA and the Federation would discuss the issue further in order to arrive at a redundancy agreement (see Chapter 10).

However the document which resulted from these negotiations (GPO 305) was subsequently rejected by the Auckland Union and the Wellington Union. In Chapter 5, I provided a detailed discussion of the process by which this occurred, and how it was resolved. As I noted in that chapter, the rejection of the new order by these unions was foreshadowed by a demarcation dispute over containers in 1969. In a sense, these disputes were intertwined.

Despite the brief of the Conference (which included consideration of containers), from the Conference minutes it appears that very little discussion of containerization actually occurred. Undoubtedly this was, in part, because a decision to introduce cellular container vessels on New Zealand's export trade was

[62] Personal Communication, 1/8/94.

not finally made until March 1969. Consequently, the implications of containerization could not be fully anticipated. Given that the problems associated with containerization were somewhat vague, the Conference participants engaged in detailed bargaining over *conventional* work, and the *quid pro quo* that was subsequently brokered applied mostly to the terms and conditions for this type of work. Meanwhile, the port unions were left to deal with the piecemeal containerization that was occurring at the local port level. Indeed, a demarcation dispute erupted in 1969, which involved the Federation not acting as the larger port unions desired, by failing to deal with the issues surrounding containerization.

(7) Containerization and the Off-Wharf Depots

The first serious disputes over containers, which occurred in the late 1960s, involved containers transported by ro-ro vessels, primarily those engaged in the Union Shipping Company's trans-Tasman operation (see Chapter 8). This is because *cellular* vessels were not introduced into New Zealand until 1971 (see below). The ports affected were Auckland, Wellington and Lyttelton because these were the ports of call for the Company's ro-ro service in its early years, and thus were the ports where containers first entered and exited New Zealand. Although this service had been introduced on a negotiated basis, through a special principal order agreed to by the Federation and the Union Shipping Company which regulated the operation of the Seacargo Terminals at these ports, this agreement by no means covered all of the contingencies regarding the containers that were shipped through these terminals.

As I noted above, while the Waterside Workers Federation was negotiating at the Conference, largely over the terms and conditions of conventional work, the watersiders unions at these latter ports were dealing with containerization at the local level. This eventually led to 'renegade' action by the Wellington Union. In

this sense, there were a number of continuities with pre-container technological change: containers were first introduced on a piecemeal basis, disputes arose at the local port level, and then were picked up and dealt with by the Waterside Workers Federation. Essentially the Federation was in a reactive position, as a second-order player.

Although one of the reasons that the Federation of Labour had attended the Waterfront Conference was to iron out inter-union disputes, as I noted above, the Conference did not meet for a long period, and had become transformed merely into a bargaining forum for a new GPO. While these latter negotiations were proceeding an inter-union dispute erupted over work coverage with respect to the packing and unpacking containers. The issue in dispute was that of which union's members should perform the work of packing and unpacking containers both on and off the wharf, but particularly at the off-wharf depots. Why was this issue raised?

Containerization is a sophisticated form of unitization, a process which standardizes cargo into 'unit loads' (see Hoyle and Hilling 1984). This process, in turn, facilitates intermodalism, "the [direct] transfer of goods from one transport mode to another" (ibid:10). And intermodalism has the potential to allow for the labour process to be 'segmented', and for work traditionally performed by waterfront workers in ports to be carried out at sites other than the fixed spatial locale of a port.[63] As Mills notes: "The container has had a revolutionary impact on the entire transport industry because it can be stuffed and unstuffed at any location serviced by the . . . equipment that can move it when loaded" (1979:143). This, in turn, raises issues of work coverage. As Finlay succinctly puts it: "The problem is that the container is an entity that does not fit the jurisdictional barriers

[63] Branch (1986:81-2) writes of the "simplification of intermodal transfer, in which the large size of the unit helps to reduce the costs of inland distribution."

established during the break-bulk era" (1988:175). Waterfront workers faced with this situation typically sought to exert closure over the categories of work they deemed to be traditionally 'theirs'. As Hoyle and Hilling note, "dockers in a number of countries have tried to redefine dock work to include cargo-handling wherever it takes place - British dockers tried for a five-mile zone adjacent to ports and American longshoremen press for fifty miles" (1984:10). New Zealand was no exception.

This issue appears to have first been raised at Auckland where disputes had occurred in 1969 over coverage of the work of packing and unpacking of containers on the wharf, after the Union had insisted on this work being performed by watersiders (see Roth 1993:172). Furthermore, the issue of work coverage at off-wharf depots was raised. As Roth (ibid:173) writes: "The Union was able to police container filling and unfilling on the waterfront but freight forwarding firms were already setting up intermediate or consolidators' depots away from the wharves where the work was done by other workers." The workers who did this work were usually members of the Storemen and Packers Federation, a union not previously associated with waterfront work. In 1969 storemen claimed this work at Auckland. Roth notes that the Auckland Union immediately contacted the General Secretary of the Waterside Workers Federation, and sought that "the filling and emptying of all containers at the depots off the wharf be claimed as being waterside workers' work", and that if coverage of this work could not be secured that black bans be placed on containers filled at these depots (1993:173). The Federation responded by handing the matter over to the FOL to resolve.

Thus the depots issue, which involved a union not traditionally linked to waterfront work, was dealt with through a set of negotiations separate from, and parallel to, the Waterfront Conference. Given the novelty of the new situation, it was to be caught between national and local negotiations. Although the Waterside

Workers Federation had handed the matter to the FOL, the local watersiders' unions were having to deal with the threat that container technology posed to work coverage on a day-to-day basis at the port level. Indeed, the Wellington Union felt that the officials of their Federation were not being proactive enough.

The dispute at Wellington (like the one at Auckland) centered on the packing and unpacking of containers at off-wharf depots, and involved the Wellington Watersiders' Union disputing coverage of this work with members of the local Storemen and Packers Union. Prior to this time, negotiations initiated by the FOL with the Storemen and Packers had occurred, but the issue had not been resolved. The Wellington Union's officials attempted to clarify the situation regarding these negotiations. Upon learning that the issue was far from resolved the rank and file at Wellington voted to apply a 'Black Ban' on handling containers to or from off-wharf depots. Representatives of the Wellington Union flew to Auckland and received support for their actions from watersiders there, and the Lyttelton Union also lent its support.

A resolution was then adopted by the Wellington Union's executive to demand a meeting of the Waterside Workers Federation's national executive with the Auckland, Wellington and Lyttelton Unions (those most affected by containerization). The Federation complied, but also attempted to get the black ban lifted. Interestingly, Federation General Secretary Napier was also the Vice-President of the FOL at the time and he tried in earnest to have the black ban lifted, which the Wellington Union refused to do. As I noted in Chapter 5, the Union flatly refused to hand over the dispute to its Federation. Further moves by the Storemen and Packers to secure this work resulted in watersiders stopping work in protest for two days at Auckland and Wellington on two separate occasions, in October and December 1969.

The meeting of the three watersiders' unions and the Waterside Workers Federation executive was held in December 1969. The minutes indicate considerable dissatisfaction on the part of the Wellington Union with the way that its Federation was dealing with the matter, particularly in handing it to the FOL. Other watersiders' unions represented at the meeting supported the representatives of the Wellington Union. For example, B. Garner of the Napier Union stated:

> We should have adopted a firmer policy in recent years regarding fringe work areas, complacency has been too rampant. The practice of filching watersiders' work has been going on for years. The Wellington Union are to be admired for the stand they have taken.[64]

Again the Federation executive attempted to get the Wellington Union to discontinue the ban, on the grounds that it was not in line with Federation policy (which was to have the matter resolved by the FOL). Federation Vice-President Quinlan commented:

> The Black Ban has cause quite a lot of discussion. . . . When this puts the Federation into a situation that policy is not being adhered to it is a weakening of our position.[65]

The Wellington Union tabled a list of demands, the crux of which was that watersiders should do the work of packing and unpacking containers off the wharf, and moreover that the "Waterside Workers Federation determine firm policy around containerization and circulate ports with firm policy instructions to have work coverage protected."[66] General Secretary Napier responded by stating that:

> there was little possibility of the Executive of the [Waterside Workers] Federation settling this whole question to the satisfaction

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[64] Minutes of WWF Special Executive Meeting, 8/12/69. New Zealand Waterfront Workers Union Records, 92-305, Box 12/6 (Alexander Turnbull Library, NLNZ).
[65] Ibid.
[66] Ibid.

> of watersiders. . . . If we could obtain what the Wellington Union want we need not bother about the Federation of Labour.[67]

Nonetheless, Ray Fergus of the Lyttelton Union tabled a resolution supporting the Wellington Union. He stated:

> Most of the speakers . . . agreed that the dispute was necessary. . . . As a Federation we should show a united front to the Federation of Labour and the resolution is intended to endorse and show confidence in the Wellington Union.[68]

That his resolution was passed indicates the support of the other port union delegates for the Wellington Union's position.

The issue of work coverage in the off-wharf depots, in its entirety, exhibits both similarities to and differences from how pre-container technological change was dealt with. The similarities center on the watersiders' unions dealing with the effects of new technology at the local level, and the Waterside Workers Federation picking up on the issue after disputes had occurred, as well as attempts by the port unions to force their Federation to formulate a policy. It evidences essentially a proactive approach by the port unions, which had to deal with the effects of containers on a day-to-day basis at the port level, and a reactive approach by their Federation. In this particular dispute the unions were not assisted by the fact that the Federation was busy at this time negotiating a new GPO which dealt primarily with terms and conditions for break-bulk work.

The differences were a result of the fact that containerization had the potential to allow for the displacement of work beyond the port. Prior to containerization, jurisdictional disputes had invariably involved unions that had their basis within

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[67] Ibid.
[68] Ibid.

the ports (primarily the Harbour Workers Union). However, in the context of a legally constituted union coverage system, the displacement of 'segments' of the labour process to sites outside of ports provided the basis for jurisdictional conflicts that drew into the fray unions not previously associated with waterfront work. The FOL then became actively involved in an attempt to resolve these inter-union disputes.

In the end, a compromise was reached: the matter was handed over to the FOL on the understanding that the Storemen and Packers would be drawn back into discussions which were intended to produce a binding decision. A special subcommittee of the unions affected was constituted, and in January 1970 guidelines were agreed to by the subcommittee and National Executive of the FOL. Under these guidelines, full container loads (i.e. those containing only one shipper's cargo) could be loaded or unloaded at the shipper's own premises using their own workers. However the work of (un)loading all containers packed outside the shipper's premises, at an off-wharf consolidating depot, was deemed to be that of watersiders.[69] (Although the guidelines made no mention of LCL containers, it was a common practice for these to be packed and unpacked on the wharf by watersiders.)

This decision was much to the chagrin of the Storemen and Packers Federation, which claimed that their signatory had exceeded his authority in being party to this agreement. Roth (1993:174) notes that the Storemen and Packers subsequently voted to leave the FOL. Buoyed by this decision, the Auckland, Wellington and Lyttelton Unions pushed for, and won, extension of their membership rule to include workers in off-wharf depots. Thus these (otherwise exclusive) unions

[69] Minutes and Report of the Proceedings of the Thirty-Third Annual Conference of the Federation of Labour (1970:32).

were prepared to widen their membership in order to capture work coverage.[70] Changing the jurisdictional boundaries of unions in this manner required the consent of the Minister of Labour. Roth notes that the "Minister of Labour Jack Marshall accepted the FOL's decision and approved rule changes of waterside unions . . . to allow them to work in any off-wharf depots he might designate" (1993:174).

The three local unions then pushed for actual coverage at off-wharf depots. The Auckland Union secured this at three depots by agreement with the local Storemen and Packers Union (see Roth 1993:174), but elsewhere it was rejected by depot operators and storemen alike. The operators particularly did not want watersiders to get work coverage because their wages and conditions were superior to those of storemen. The problem was that the agreement brokered by the FOL did not bind employers, nor the Storemen and Packers (after their exit from the FOL). Furthermore, the Government refused to designate off-wharf depots (Roth 1993:176). Once again, a black ban was placed on containers from certain depots for several weeks in 1971, this time by the Wellington, Lyttelton and Auckland Unions in concert. As before, it appears that the Waterside Workers Federation was not entirely supportive of these unions, seeking a negotiated solution instead of direct action. The ban was only lifted when the Government agreed to establish a Royal Commission of Inquiry on Containers that *inter alia* would deal with the issue (WIC Report 1972:19).

The Commission of Inquiry, which began in June 1971 made recommendations on the issue that were acted upon by the Government. Essentially it established a trade-off: it took off-wharf depots off the watersiders, but restricted the containers that could be worked in the depots to full container load (FCL) containers. The

[70] This development was similarities to the situation in Australia where, in response to containerization, the Australian Waterside Workers Federation attempted to incorporate other occupational groups into their membership (see Deery 1983).

Commission issued an interim report in November 1971 which recommended that the Minister of Labour not exercise his discretion in allowing an extension of the membership of waterside workers unions, and the previously granted extensions were subsequently rescinded. But the Commission of Inquiry also recommended that LCL containers (those containing cargo belonging to more than one shipper) had to be (un)packed within wharf limits by watersiders.

However, in 1973, following the election of a sympathetic Labour Government, the Wellington Union secured two designated off-wharf depots (Roth 1993:177). The WIC's annual report notes:

> Towards the end of November 1973 the Minister of Labour designated two off-wharf container depots as being subject to coverage by the Wellington Waterside Workers' Union. Such coverage does not mean that waterside workers on the commission's bureau registers will be employed at these depots, but only that the depot employees become members of a section of the Waterside Workers' Union and have their wages and conditions negotiated with their employers by that union (WIC Report 1973:21).

Thus it was somewhat of a 'limited settlement', and the port unions were unsuccessful in getting any more terminals so designated. As I will demonstrate in Chapter 11, the position of successive governments became increasingly one of 'containment', by attempting to prevent the wages and conditions of watersiders from moving beyond the wharves. Later, in 1975, a Supreme Court ruling established that the Minister of Labour's decision to designate the two depots at Wellington "had been invalid" (Roth 1993:178).

The tension between the Waterside Workers Federation and its member unions undoubtedly played a part in the loss of coverage of the off-wharf depots. Whereas the three largest port unions opted for direct action, the Federation sought

a negotiated settlement (which was in part a result of the links between the Federation's executive and the FOL). As we have seen, this settlement did not, in the end, work to the advantage of watersiders. But while they may have lost coverage of the off-wharf container depots, they did secure LCL work and, as we shall see in the next section, they had considerably more success *on* the wharf.

(8) The Container Terminals Agreement

To recap, one of the reasons why the Waterfront Conference did not deal with containerization was that a decision to containerize New Zealand's export trade using cellular vessels (as opposed to the already existing limited use of ro-ro vessels on the trans-Tasman and coastal trade) was not taken until late in the piece. Instead a series of discussions and decisions surrounding containerization (such as the issue of work coverage at the off-wharf depots) occurred parallel to the Waterfront Conference.

As I noted above, the report of the Molyneaux Committee (which was published in 1967) had recommended *inter alia* the introduction of "a four ship container service on the New Zealand / Britain trade" (Hunter 1972:182). However the four British Conference Lines did not make a decision to introduce such a service until early in 1969. The facilities that were required for cellular (as opposed to ro-ro) vessels were costly, including significant capital outlays for quayside container cranes. Realistically, given the level of trade, only harbour boards were in a position to finance these facilities (see Chapter 8). Thus a decision was made to establish common user 'container terminals' within already existing ports. But the issue was where these terminals should be established.[71] The Molyneaux Report

[71] I will provide only a schematic overview of the developments surrounding the establishment of container terminals. For a detailed outline of the sequence of events the reader is directed to Craw (1982), who provides an excellent account of the political dimensions to the development of the terminals.

had recommended Auckland and Wellington, as had a report by an independent consulting group (see Craw 1982). However a number of other harbour boards, such as Lyttelton and Northland, vied for their ports to be considered as sites for container terminals.

The designation of container terminals was essentially a *political* decision. Government intervention in this area was not unusual for, as Bush points out,

> Transport planning and management had long been political footballs and subject to experimental rearrangements. They uneasily straddled central and local government. Legislation in 1968 set up a national Ports Authority to devise an overall integrated plan for port development and regulate major projects as a counter to unchecked provincialism (1980:52).

The designation of container terminals was taken by the Ports Authority in concert with the Transport Commission, which had been set up in 1965. Craw writes:

> The Transport Commission, in May 1969, advised the Government that it accepted in principle the shipping lines' proposal that a container service should be provided using terminals at Auckland and Wellington. This view was supported by the Ports Authority, and in October 1969 the Government confirmed the establishment of those ports as New Zealand's initial container terminals (1982:98).

A further terminal was subsequently approved for construction at Port Chalmers, in the South Island.[72] Construction of the terminals began in 1970, and they were intended to begin operation in 1971. However an issue that was almost of equal importance to the shipping lines' decision to introduce containers, and the Government's decision on the site of the terminals, was the terms on which work would be conducted within the terminals.

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[72] A fourth container terminal was established, at the Port of Lyttelton, in 1976.

As Finlay (1988:69) observes, in the waterfront industry generally there are no 'greenfield sites' because of the 'spatial fix' that ports are subject to. However, containerization has the potential to alter this fixity, by allowing for the 'segmentation' of the labour process, and its displacement outside of ports (i.e. the issue of off-wharf depots which I dealt with above). But it also raises the possibility of new sites using container technology. For instance, in Britain containerization resulted in the flourishing of container ports, such as Felixstowe, which operated outside of the National Dock Labour Scheme (see Turnbull et al. 1992:67-71). However this did not occur in New Zealand. Because of the legally underpinned institutional arrangements, and the fact that container terminals were being established within already existing ports, new sites could not be established outside of the bureau system and / or coverage of the watersiders' unions. Thus container technology was deployed across an already existing system of labour administration, one in which the port unions and their Federation had considerable industrial strength. What did happen however was that, for industrial purposes, container terminals were regarded as 'ports within ports'. In effect, they were 'legal fictions' which were subject to a national agreement separate from the General Principal Order. Under this agreement the nature of the workforce and the terms and conditions of work differed substantially from those on the conventional wharves.

The negotiations which secured this agreement were entirely separate from, and later than, those at the Waterfront Conference for GPO 305. Also, they did not involve the Port Employers Association. The operators of the new terminals were Harbour Boards, with the exception of Wellington where a consortium of shipping companies operated the terminal on lease from the Wellington Harbour Board. The terminal operators formed the Container Terminal Operators Association and in industrial negotiations were represented by this organization, rather than the Port Employers Association (see Chapter 9).

The negotiations began in late 1970 regarding the terms for working cellular container ships at the new terminals, which were due to commence operation in 1971. But prior to these negotiations there had been a series of discussions which involved the Federation of Labour in order to deal with the issue of demarcation. Because harbour boards were the employers in the container terminals, harbour workers had a legitimate claim at least to some of the work within the terminals. In order to achieve an agreement between the Harbour Workers Union and the Waterside Workers Federation, the Government, shipowners and the terminal operators sought the involvement of the FOL. This approach was accepted by the two unions, and the FOL decided that the terminals should be manned by a 'composite workforce' of waterside workers and harbour workers. This decision was accepted as a principle by the two unions, but the issue in dispute was the precise ratio of watersiders to harbour workers. Ted Thompson, who had been the Assistant General Secretary of the Waterside Workers Federation at the time, commented that:

> My demand to the FOL executive was one in ten. And Skinner and I, at that time I'd been a member of the FOL for a number of years, and on waterfront matters of course I'd be Tom's advisor. But at the same time, as Knox and Skinner said, there's got to be a bit of equilibrium here. And they would go along with the principle but they brought down to the executive a recommendation that in fact it should be . . . six wharfies, one harbour board employee. And that was accepted, passed on to the employers, who accepted it too. (Interview)

There were, however, a number of other issues in dispute. Significantly, the container terminal operators wanted a permanently employed workforce, whereas the Waterside Workers Federation insisted upon the principle of worker rotation. Similarly manning scales, wage rates, hours of work, along with other terms and conditions, were also in dispute.

These disputes could not be settled before the terminals actually began operation, and when the first cellular container ship (the 'Columbus New Zealand') arrived in New Zealand in June 1971 there was no agreement for it to be worked under. At each of the three container terminals it was "worked on an interim basis under the provisions of General Principal Order 305" while negotiations proceeded (WIC Report 1971:19). However, as a Commission Report noted, when

> the second such ship, *Act III*, arrived on 19 August a final settlement had not been reached. The employers' and unions' representatives had met to negotiate an agreement on the day prior to the vessel's arrival, but they did not reach an agreement then; nor later when the negotiations continued over the weekend. Work was only finally begun on 24 August after the Minister of Labour had told officials of the waterside workers' union and of the harbour board employees' union that special legislation would be introduced if the ship was not worked. The ship was then worked under the provisions of General Principal Order 305. Subsequent ships have also worked under this order, on an interim basis, while negotiations continued until, having reached a stalemate, the matter was referred to arbitration (WIC Report 1971:19).

It was under the threat of decisive Government intervention that the unions were forced into arbitration over the matter. However this could not be done through the usual channels. The issues in dispute could not be settled by the Waterfront Industry Tribunal because they involved harbour workers (who were outside of the Tribunal's jurisdiction). Equally, the Arbitration Court (the body that the harbour workers were subject to) could not decide on the matter because it involved watersiders. Furthermore, as Ted Thompson (the former Assistant General Secretary of the Waterside Workers Federation) commented in an interview I conducted with him, neither the Federation's officials or the employers wanted the matter to be decided by the Tribunal because they considered that Judge Archer was "too traditional" - particularly in dealing with the unprecedented issues surrounding the operation of the container terminals.

The solution adopted, which was initiated by the Government, was to appoint an independent arbitrator to give a firm decision on the issues in dispute. In appointing the arbitrator the then Minister of Labour, Jack Marshall, gave Ted Thompson (who was to represent the Federation at the arbitration hearings) a list of arbitrators, any of whom the employers would accept. Ted told me that one of the names caught his eye immediately, that of Ronald Davison, an Auckland Queen's Counsel, who he knew of through a prior dispute involving the Seaman's Union (Ted was an ex-seaman). Ted regarded Davison as being not unsympathetic to trade unions, and selected him.

Extensive submissions were heard by Davison from each of the two unions and the Container Terminal Operators before he gave his decision, which was issued on 16 December 1971. It set out in detail the terms and conditions of work and became the agreement that the terminals were worked under. The most important features of the decision were as follows. First and foremost, it established the composite workforce at a ratio of six watersiders to one harbour worker (as previously decided by the FOL and agreed upon between the unions and the container terminal operators). Work coverage was such that the composite workforce would be integrated and do all work, except the driving of portainer cranes (which was to be performed by harbour workers) and ship's gantry cranes (which was to be performed by waterside workers). Significantly, it also established the principle of worker rotation, rather than a permanent workforce (which the employers had wanted), albeit for a six month term of engagement (which was slightly longer than the unions had sought). The decision also established a system of shift work, with two shifts and an optional third extra shift. The main issues in dispute regarding hours of work were work on weekends and public holidays, and the working of a third shift - neither of which the unions wanted to be compulsory. While Davison granted "employers the right to require

work after 12 midday Saturday, Sunday and Holidays", the third shift was to be worked only with agreement of the unions.[73] The decision also specified all rates of pay, which in most cases were set at an intermediate figure approximately halfway between the claims of the employers and those of the unions. And it established an 'equity payment' of $0.20 per full container load, which the unions had wanted (albeit at only 20% of the rate they sought) to compensate for loss of work in packing and unpacking these containers, which was performed at off-wharf sites.

The attitude of the Waterside Workers Federation's officials to the decision was mixed. President Ray Fergus commented at the Federation's conference in 1972 that:

> Although the final document handed down by Mr Davison gave us little in regard to the very important claims we had made, most importantly it did not surrender any of our basic conditions which the Employers sought to wrest from us.[74]

Indeed it appears that the Federation's officials were satisfied with all but the decisions on manning scales, hours of work and some aspects of pay rates. However, if the watersiders' representatives were dissatisfied with some aspects of the decision, the employers were even more so with the decision as a whole. According to Ted Thompson the Container Terminal Operators were aghast at the decision, and asked if he would keep it quiet so that they could further consider it. Ted said that his response was a short and simple "get stuffed" (interview). As we shall see in later chapters, the terms of the agreement provided a platform for subsequent claims by the Federation which resulted in substantially improved terms and conditions of work in the terminals.

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[73] Decision and Award of Arbitrator, 16/12/71, Clause 4.
[74] Minutes of Waterside Workers Federation Conference, 16/10/72. New Zealand Waterfront Workers Union Records, 92-305, Box 14/4 (Alexander Turnbull Library, NLNZ).

In summary, I noted above the potential of container technology to erode the control that unions exert over the labour market, occupational boundaries and work coverage, through the establishment of new (possibly 'greenfield') sites of work. However this did not occur in New Zealand. New sites were established in the form of container terminals, 'legal fictions' that were designated as separate areas of work. However, they were established as much on the unions' terms as the employers. In many respects, the container terminals agreement, which established a composite workforce, was as much of a watershed as the (much disputed) GPO 305, the main outcome of the Waterfront Conference, which introduced 'permanent employment' on the conventional wharves.

With respect to the approach of the Waterside Workers Federation to containers, there were considerable similarities to how technological change had been dealt with previously. The similarities centered on the preparedness of individual port unions to dispute the terms on which new technology was introduced, and then the Federation submitting to the decision of an arbitrator, albeit under strong pressure from the Government (including a threat to change the law). Although this approach was in large part responsible for watersiders losing coverage of off-wharf container depots, the Federation had more success on the wharf via the container terminals agreement - although partly through a quirk of circumstance surrounding the appointment of the arbitrator. Similarly, while the Federation was unable to establish container-handling rights outside the wharves, through the container terminals agreement it was able to secure an 'equity payment' to watersiders for all FCLs handled at container terminals to compensate for work lost.

(9) Conclusion

In this chapter I have dealt with the process of technological change on the waterfront. There were elements both of continuity and discontinuity throughout this process, from when self-propelled mechanical equipment was introduced in the 1950s through until containerization in the early 1970s. The continuities centered primarily on the decentralized approach of the watersiders' national organization to defending occupational boundaries and gang manning levels. Like pre-container technological change, containerization was initially introduced in a piecemeal way by the employers, and dealt with in a similar way by watersiders' local unions.

The discontinuities centered on the fact that, unlike the earlier round of technological change, containerization radically disrupted jurisdictional boundaries by shifting work beyond the port. The unitization of cargo facilitated the segmentation of the labour process and its spatial displacement. Combined with a union coverage system that provided the basis for claims to jurisdiction for Storemen and Packers, containerization opened up a new era in which on and off port issues had to be resolved. Nonetheless, as before, the disputes that resulted were resolved through arbitration. Ultimately, this produced the watershed container terminal agreement which was settled in 1971.

In many respects, this latter industrial agreement was of equal significance to the GPO. In the post-container period, therefore, there was not one but rather two key *national* agreements. However, the organization on the employers' side that was involved in negotiating the container terminal agreement was the Container Terminal Operators Association, and not the Port Employers Association. This emergence of this new employers' organization, in turn, was a result of the differentiation of corporate actors which accompanied the process of

containerization. This development will be addressed in the following chapter, which examines the effects of the bureau system of labour administration upon firms.

CHAPTER 8 : FIRMS AND THE LABOUR MARKET

> *The extent of vertical integration and the reasons for the persistence of small firms operating through the market are not only narrow concerns of industrial organization; they are of interest to all students of the institutions of advanced capitalism.*
>
> Mark Granovetter (1992:76).

(1) Introduction

In this chapter I will address the issue of why, in an industry where internationally vertical integration has been a key development (particularly after containerization), in New Zealand small independent stevedoring companies persisted alongside large vertically integrated companies. The argument that I develop will initially be framed as a critique of sociological models of the relationship between labour markets and firms. In particular, I will reject the assumption implicit within this literature that firm size is an independent variable in relation to labour market type.

After demonstrating that firm size was as much a dependent variable during the break-bulk era insofar as the bureau system supported small firms by providing 'labour flexibility', I will then proceed to examine the conditions surrounding the emergence of a new type of 'hybrid' small firm in the 1970s. In previous chapters I demonstrated how the bureau system of labour administration empowered unions, and in this chapter I will argue that the other significant unintended consequence of this system was that it secured the existence of small firms. These effects of the bureau system intersected in the post-container era when a number of the port unions became involved in establishing small new entrant stevedoring companies.

As well as examining the effect of the labour market upon firm size, in this chapter I will trace out changing patterns of ownership and control within stevedoring generally. Despite the considerable amount of historical research on the shipping companies that operated in New Zealand, there has been almost nothing written on the corporate actors that were involved in stevedoring. This is unusual given that stevedoring is the crucial link between sea and land transportation, and this chapter goes some way towards filling this gap in the literature. Given the time period covered, like the preceding chapter, it also serves as an 'inter-chapter' which links my discussion of the pre- and post-container periods.

(2) The Relationship Between Firm Size and the Labour Market

Within industrial sociology the relationship between firm size and labour markets has typically been understood as being unilinear. As Granovetter (1984:323) insightfully observes, within the literature in this field "Workplace size . . . has appeared mainly as an independent variable." Granovetter's point also obtains with respect to firm size. A good example, which he cites, is the dual labour market literature (for reviews, see Hodson and Kaufman 1982; Kalleberg and Sorensen 1979). According to studies within this field, large firms in the industrial 'core' create internal labour markets characterized by job security and high wages, whereas workers in peripheral small firms occupy a secondary labour market which is characterized by insecure and unstable forms of employment and lower wages (Edwards 1975; Piore 1971; Wilkinson 1981).

This approach is also present within the sociology of organizations, with respect to organizational size. In an exhaustive review of the literature, Kimberly (1976:579) found that: "Among those studies that have examined the causal status of [organizational] size, the largest number see size as exogenous, that is, as

causing other variables to assume particular values". The dual labour market literature can be read as one particular case of regarding organizational "size as an exogenous variable" (ibid), with respect to the effects of one type of organization (firms) upon one set of variables (labour market structure).

Another good example of the implicit assumptions about firm size which characterize the sociological literature generally is Fligstein and Fernandez's model of labour markets, which I critically utilized in the analysis of employment relations in Chapter 4. For Fligstein and Fernandez (1988), firm size is an independent variable in relation to the organization of the labour market. Large firms are assumed to exert greater control over the demand for labour than small firms, which translates into greater control over bargaining processes and outcomes. Depending on the strength of worker organization, the existence of "large [firms] with high degrees of market power" results, in turn, either in 'contested' labour markets (in the context of a strong unions) or firm-internal labour markets (in the context of weak unions) (ibid:16). Small firms, on the other hand, yield 'worker-controlled' or 'competitive' labour markets respectively.

In this chapter I will argue that these assumptions about firm size do not hold with respect to the relationship between firms and labour markets on the waterfront in New Zealand. In the discussion of employment relations (in Chapter 4) I pointed to some of the ways in which the bureau system eliminated firm size as an independent variable. For example, in negotiations over register strengths which regulated the size of the labour supply large and small firms alike (despite their different labour requirements) had to cooperate in, and externalize decision-making to, the Port Employers Association. In this chapter I will extend this argument by demonstrating that, far from being an independent variable, there is a strong sense in which firm size was actually a dependent variable in relation to the

labour market - dependent on the occupational registration system that the labour market was organized around.

In the third and fourth sections of the chapter I show that, historically, small stevedoring firms co-existed alongside large vertically-integrated companies. I will argue that the bureau system provided space for small firms by abrogating the economies of scale associated with employing labour in an otherwise labour intensive industry. The system of labour administration, by guaranteeing a supply of labour, relieved firms of the need to permanently employ watersiders. This system, in turn, provided space for small firms operating on insecure or short-term contracts in markets where labour costs would otherwise have been prohibitive. In the case studies in the last section of the chapter, I will show that not having to employ an operational workforce meant that small companies could be set up relatively cheaply. But before engaging in these tasks, it is necessary to identify the role of the private firms that engaged in stevedoring, relative to New Zealand's port authorities, in providing the services at the heart of the industry.

(3) Harbour Boards and the Corporate 'Division of Labour'

The waterfront can be regarded as a 'distributive' service industry (Gershuny and Miles 1983:13). The services that form the core of the industry involve the spatial displacement, arrangement and storage of cargo carried aboard ships. The two main types of services are *wharfingering* which comprises the receival and delivery, marshalling, and storage of cargo within ports, and *stevedoring* which is the transfer of cargo from the ship to the wharf and vice-versa.[1] These services, in

[1] Both types of work are also embedded within a broader network of activities which may or may not be located within the spatial confines of a port. These activities include: freight forwarding (the consolidation of small and diverse cargoes from a number of shippers); customs broking; shipping agency; hire and maintenance of cargo-handling equipment and vehicles; and container hire, cleaning and repair. They also include the services associated with the vessels that carry the cargo; for instance, guiding ships into port and out to sea, and maintaining and servicing them while in port.

turn, are based on the provision and maintenance of what Turnbull and Wass (1994:7) respectively term *port superstructure* (cargo-handling equipment, such as shore-based winches, and storage facilities) and *port infrastructure* in the form of wharves, docking facilities and so forth.

These general observations, however, provide no indication of the types of organizations that provide these core services. Different types of agencies, whether publicly or privately owned, may be involved in the provision of port infrastructure, superstructure and the core services of wharfingering and stevedoring. Although they are usually provided either by port authorities, shipping companies and stevedoring companies, or some combination of these organizations, the 'institutional mix' differs both within and between port systems. Turnbull and Wass (1994) have provided a useful framework for categorizing the involvement of port authorities in these areas:

PORT AUTHORITY RESPONSIBILITIES

PORT TYPE	*Infrastructure*	*Superstructure*	*Stevedoring*
Landlord	+	-	-
Tool	+	+	-
Service	+	+	+

Source: Turnbull and Wass (1994:9)

In New Zealand the functional equivalent of port authorities were (until they were 'corporatized' in 1989) the harbour boards. As Bush (1980:103) points out, "The actual management of ports is one of the oldest local authority functions in New Zealand." Harbour boards were special purpose (or ad hoc) "elected local authorities" (MOT 1984:152).[2] The majority of harbour boards were created in

[2] Bush notes that harbour boards had an "unusual and varying hybrid system of representation" which included ratepayers, local councils, shipowners, and even union representatives (1980:26-7).

the 1870s by a series of Acts of Parliament to administer and maintain ports throughout the country. Bush writes that:

> Harbour Boards may construct and maintain port works and provide machines and cranes for loading and discharging goods. They may also provide ancillary services such as tugs, dredges and pilots (1980:22).

Prior to containerization, the majority of harbour boards did not provide wharfingering and stevedoring services.

Most of New Zealand's ports, as in Britain (see Turnbull and Wass 1994:9), were 'tool ports' insofar as harbour boards provided and maintained both the infrastructure of ports and cargo-handling equipment. Harbour boards owned and operated fixed items such as wharf-based cranes and shed-cranes which were hired to companies, and in the majority of ports, the *mobile* equipment used on the wharf (such as forklifts, tractors and, in some ports, even handbarrows) was itself provided by or hired from the local harbour board. There were also some ports (Tauranga, Wanganui and Whangarei, for instance) where the harbour board provided cranes and only some of the mobile cargo handling equipment used on the wharf. At others, as in the case of the Port of Otago, most of the mobile equipment used both on the ship and the shore was supplied by private companies rather than the harbour board. In general, however, the equipment provided within ports by the shipping companies and stevedoring companies was limited to mobile equipment (such as forklifts, conveyors and so forth) used aboard ships.[3]

However this system was rationalized in 1950 by the Harbours Act which "abolished all sectional representation" (ibid:27).

[3] The material in this paragraph is derived from the Ministry of Transport's *Onshore Costs Study* (1984:161-4) and a New Zealand Transport Commission report published in 1967 which is entitled *New Zealand Ports: A Statistical and General Description.* Hereafter this latter report will be referred to as 'NZTC'.

Some harbour boards did carry out wharfingering. A notable example is the Port of Nelson where, since 1921, the harbour board provided a full wharfingering service. William Parr, a former General Manager and the author of a history of the Nelson Harbour Board, explains why this service was provided:

> the Harbour Board felt that wharfingering was an essential work best handled by an independent body whose sole concern was the giving of efficient service to the public at the lowest possible cost. Any other system would have led to confusion by reason of the fact that ships of different companies discharged their cargoes into the same wharf shed and from which deliveries often took some days to complete. Under such circumstances the Board felt that it was undesirable for any one company to have control of the wharf shed or, indeed, to have the cargo handled in publicly owned sheds by any private organization (Parr 1979:56).

But only a handful of other harbour boards provided such a service. The main ones were the boards which administered the ports of Wellington, Napier and Bluff (NZTC 1967). However, the service at Napier was for discharged cargo only, and the Wellington Harbour Board ceased all wharfingering operations early in 1966 (Parr 1979:63). Similarly, the situation at the Port of Bluff was somewhat exceptional because of the nature of harbour board which administered it:

> In some ways the Southland Board is not typical because its 1958 Empowering Act specifically designates it as a wharfingering and stevedoring board. The Board exercises its powers under this Act by formally licensing stevedoring companies in the port for two-year periods at a nominal fee (MOT 1984:162).

Where a wharfingering service was provided by a harbour board, stevedoring firms usually took control of cargo at 'the hook'. Harbour boards usually only retained watersiders from the labour bureaux in such cases, all other work being performed by their own employees, the harbour workers. For example, the Nelson Harbour Board retained nine-man gangs of watersiders from the local bureau to perform the work on the wharf (i.e. loading and unloading slings, and moving

cargo to and from sheds) (Parr 1979:58). Conversely, where stevedoring firms performed wharfingering, they were responsible from the receival and delivery phase (although the harbour boards often provided sheds and other storage facilities).[4]

In the context of New Zealand's occupationally-based union and award system, the existence of harbour boards gave rise to a bifurcated workforce and union structure on the waterfront. When harbour boards provided - either by hiring or leasing - cargo-handling equipment (such as forklifts), they also usually supplied harbour workers as drivers. Conversely, when companies provided this equipment it was usually driven by watersiders. There was, however, at least one exception to this practice in that the Marlborough Harbour Board hired forklifts to stevedoring companies at the Port of Picton but these were operated by watersiders (NZTC 1967:306). Variations in these practices were the source of numerous 'demarcation' disputes in the 1960s (see Chapter 7).

While harbour boards provided a wharfingering service at a few ports, they did not really approximate the 'service port' model because (with a few minor exceptions) harbour boards were generally not involved in stevedoring, prior to containerization. The issue of why harbour boards were not involved in stevedoring is a complex one. In part, it was the result of a traditional 'division of labour' between harbour boards and firms which evolved over time in the context of particular constituencies of port users, and differences in the commercial outlook of the harbour boards themselves.

[4] It should also be noted that at 'railway ports' the Railways Department operated the marshalling service; in these cases they retained labour from the bureau for the 'rail side' (and at some ports, such as Lyttelton, there were separate registers for the rail side men). However this arrangement ended with the abolition of the railway ports in 1955.

The harbour boards' principal source of income was from port charges such as pilotage, towage and wharfage, and most harbour boards were content to allow privately owned shipping companies and stevedoring companies to provide stevedoring services. Nonetheless, the boards did have an interest in the efficiency of the wharfingering and stevedoring service offered by firms within their jurisdiction. The Ministry of Transport, which solicited the opinions of harbour board executive members for its 1984 Onshore Costs Study, reported that they expressed concern over the efficiency of firms within their respective ports insofar as it affected the viability of the port as a whole:

> The boards take the view that service to ship operators and shippers is paramount, and many would be willing to undertake stevedoring themselves if the private companies did not provide a particular necessary service, or did not provide it at a reasonable price. They are somewhat suspicious of stevedoring companies in many instances, and . . . [claim] that a number of stevedoring companies have little capital invested and therefore little incentive to take a long-term responsible approach to the industry (MOT 1984:162).

Although this study was conducted after containerization, undoubtedly this view also characterized harbour boards in the break-bulk period. Indeed, as I noted above, it was efficiency considerations that were largely responsible for the decision of the Nelson Harbour Board to provide a wharfingering service.

However the non-involvement of harbour boards in stevedoring was not merely a result of the perceived efficiency of the companies that provided this service, but also of resistance by shipping and stevedoring companies to the entry of the boards into this field. The Port Employers Association's annual report for 1959 indicates that harbour boards met strong opposition from the PEA regarding their attempts to enter stevedoring. Although there was nothing in the Harbours Act to prevent harbour boards acting as stevedores, a number of them sought to be legislatively granted the specific right to do so. By 1959 the Lyttelton, Taranaki, Timaru and

Tauranga harbour boards had been granted this right, but none had used it. Although the PEA sought to keep harbour boards out of stevedoring, it did not object to them licensing stevedoring companies. Some harbour boards subsequently obtained the right to license stevedoring companies that operated within their ports, but only one or two ports actually used this power: the Southland Harbour Board (which was referred to above) and the Bay of Plenty Harbour Board (MOT 1984:33).

Thus, in the break-bulk era, the involvement of harbour boards in stevedoring was negligible. The situation at the Port of Nelson, where the harbour board was the "largest single employer of watersiders" (Parr 1979:59), was the exception. In an interview with a former manager of a harbour board at one of the main ports I was told that, before the container terminals were established, a typical response from watersiders to an inquiry as to the identity of the Harbour Board Manager would have been "who's he?". In this period, there was a stable blend of public and private provision of infrastructure, superstructure, and services which conformed to the 'tool port' model. Even after containerization the only harbour boards that engaged in stevedoring were those at three of the four ports where container terminals were established (see below).

With harbour boards removed from the field of stevedoring, three other corporate actors were left: shipping companies, specialist stevedores that were subsidiaries of shipping companies, and 'independent' stevedoring companies which contracted for work from shipping companies. In the following section I will trace out the main companies within each of these categories. I will demonstrate that small firms had always coexisted alongside large ones and, moreover, that even with the (albeit uneven) trend towards vertical integration following containerization, small firms persisted and even increased in number. But before doing so, a brief comment on the sources I have used is in order.

Unlike the meat industry, for instance, where all companies had to be licensed (see Curtis 1996), companies that sought to requisition gangs of watersiders from the bureaux did not have to be registered with the Waterfront Industry Commission until the Waterfront Industry Act was amended in 1976.[5] Nonetheless, some indication of the companies that engaged in stevedoring can be gained from the Commission's annual reports which list the companies that paid wages through the Commission at each port during the period from 1952 until 1969. The proportion of wages paid also provides some indication of the size of each company in terms of their market share.[6] Additionally, I have used the following sources: interviews with key informants who worked for shipping companies or stevedoring companies, ownership searches conducted at the regional offices of the Registrar of Companies, published sources (such the 1967 Transport Commission report), the New Zealand Shipping Directory (an advertising publication), company annual reports, as well as published histories of shipping companies.

I must stress, however, that the analysis which follows is based on incomplete information and thus I do not claim to have achieved total accuracy. Rather it is the best approximation that can be made given limited and fragmentary source material. Nonetheless, it represents the first systematic attempt to trace out patterns of ownership and control within New Zealand's waterfront industry. These patterns are presented schematically in Appendix 1.

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[5] Until 1976 any company could requisition labour from the bureau. However the Waterfront Industry Act 1976 made it mandatory for companies to be registered with the Commission. In practice, the criterion for registration that the companies in question employed foremen-stevedores and thus had the ability to exercise supervision over gangs of watersiders (see Chapter 10).

[6] Turkington (1976:224-5) makes the same point, but engages only in a very brief comparison of wages paid by some companies.

(4) The Evolution of Stevedoring Companies 1950-65

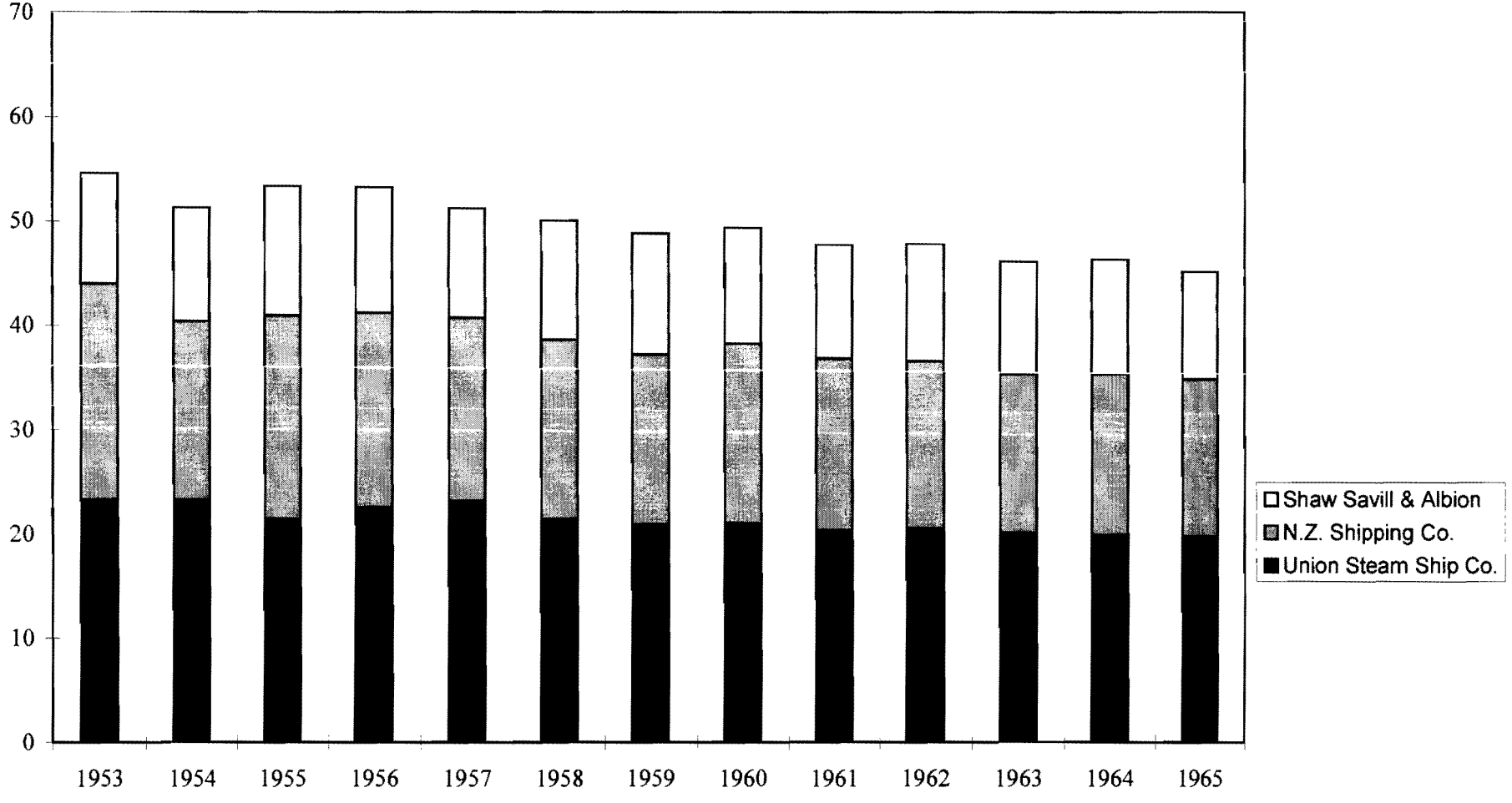
> *Anything to do with loading ships is a very, very labour intensive job. It involves a lot of people in an endless chain starting right out at the farmer's gate all the way down the line until the stuff is finally aboard the ship and the ship has sailed. Now its been long recognized . . . that a tremendous amount of power lies in the hands of those who can control that chain at any given point. . . . As a result of that, a large number of people in the chain have always wanted to be involved in stevedoring because they see stevedoring as a direct link in that power game. It has long been recognized by anyone who knows anything about it at all that there is no money in stevedoring. No matter how you go about it you're unlikely to make much money. You're very likely to lose a lot, but you're very unlikely to make a lot. So that begs the question, doesn't it, why do all the big people want to get into stevedoring? And the reason, of course, is simple: he who controls stevedoring is in the most powerful position in the chain.*
>
> Interview.

The preceding quotation, which I have extracted from an interview with the former manager of a stevedoring company, illustrates the centrality of stevedoring within the field of maritime transportation. As I mentioned in the previous section, in New Zealand three main types of companies engaged in stevedoring: shipping companies with their own stevedoring department; stevedoring companies which were subsidiaries of shipping companies; and 'independent' stevedoring companies. During the 1950s and the early 1960s, a reasonably stable split in the provision of stevedoring existed between these types of companies.

The shipping companies that carried out their own stevedoring can be grouped into large overseas companies which operated at most ports throughout New Zealand, and small coastal companies which operated at just a few ports. Overall, the largest 'employers' of watersiders were the large, vertically integrated shipping companies which had their own stevedoring departments.[7] Of these, the New

[7] I am using the term 'vertically integrated' here to refer to the fact that these companies had their own stevedoring department or division. In so doing, I am following other writers who also use the

Graph 8.1 Wages Paid Through WIC (% to total)



Zealand-based Union Steam Ship Company paid the greatest proportion of wages (consistently more than 20% from 1953 to 1963). This company was well-established in New Zealand, having originally been formed in Dunedin in 1875, although in 1917 it had been taken over by the Peninsular and Oriental Steam Navigation Company of Britain (McLaughlin 1987). During the 1950s and 1960s the company's main primary operations were the Australasian coastal and trans-Tasman trades (Trace 1992:92).[8] Shaw Savill and Albion and the New Zealand Shipping Company, two of the British Conference Lines, also did their own stevedoring at the majority of ports. These three companies were represented at most ports and were consistently the largest 'employers' of waterfront labour. During the years from 1953 until 1965, they collectively accounted for not less than 45% of the total wages paid through the Waterfront Industry Commission (see Graph 8.1).

However, New Zealand has always had a considerable 'coastal trade' (see Ville 1993). Indeed, as I noted in Chapter 3, the PEA was fundamentally split between the overseas shipowners and the coastal shipping companies (whose interests often did not coincide). Many of the coastal shipping companies, which were generally much smaller than their overseas counterparts, also did their own stevedoring at their few ports of call. These companies included Richardson and Company, Anchor Shipping and Foundry, the Holm Shipping Company, Geo. H. Scales and the Canterbury Steam Ship Company.[9] To be sure, some of these companies did do 'outside' stevedoring work. For instance, in the mid-1960s, Richardson's stevedored Anchor Company vessels and two Japanese lines at the Port of Napier,

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term in this restricted fashion (see Finlay 1988; Trace 1992). Strictly speaking, vertical integration can extend much further along the chain of transportation (see Casson 1986).

[8] While he Union Steam Ship Company did do stevedoring for other companies at a handful of ports (e.g. Timaru) in the mid-1960s, its stevedoring department catered primarily for the Company's own vessels. A former senior manager with the Company, David Graham, (who is quoted later in the chapter) described it as an 'in-house' stevedoring operation.

[9] There are business histories of the following coastal shipping companies: Geo. H. Scales Ltd (Coveney 1972); Anchor Shipping and Foundry Company (Kirk 1967); Holm Shipping Company (Kirk 1975); Northern Steam Ship Company (Furniss 1977).

the Canterbury Steam Ship Company did all of the stevedoring at the small port of Wanganui, and Holm Shipping worked Danish vessels at Lyttelton (NZTC 1967:382). However these companies, like their overseas counterparts, generally did not contract for outside stevedoring work. At some ports (such as Timaru) they contracted out their own stevedoring.

A number of the larger shipping companies also had substantial shareholdings in, or completely owned, stevedoring companies. These subsidiary firms typically did the work of their parent shipping companies and often contracted for outside work as well. Kinsey and Company at the Port of Lyttelton is a good example. Although it had originally been formed as an independent stevedoring company (see below), in 1955 it was taken over by Port Line (one of the British Conference Lines). A significant development amongst the subsidiary firms occurred in 1964 when the four Conference Lines formed a national stevedoring firm.[10] It was called the New Zealand Stevedoring and Wharfingering Company and was jointly owned by Shaw Savill and Albion, Blue Star Line, Port Line, and the New Zealand Shipping Company. This marked the formation of the first *national* specialist stevedoring company. Although it primarily did work for the Conference Lines, it also contracted for some stevedoring work outside the Lines.

The independent stevedoring companies were generally smaller firms which were based at only one or two ports. As Chen and Hambrick (1995:454) point out, "A firm can be considered small in two different but related ways - in terms of sheer organizational size or in terms of its industry market share." The stevedoring companies in question were, in general, small in terms of organizational size and most definitely in terms of their market share. Using the proportion of wages paid as an index of market share, they included companies such as Despatch

[10] The company was formed in response to a recommendation of the 1964 'Streamlining Report', that the Conference Lines amalgamate their stevedoring operations.

Stevedoring and Agency Company which operated in the mid-1950s and accounted for only 0.3% and 0.1% of total wages paid through the Commission in 1955 and 1956 respectively. Others included Leonard and Dingley, an Auckland-based firm which also did work at Whangarei, Mount Maunganui and Tauranga Stevedores (at the Port of Tauranga), Puflett and Smith at the Port of Napier, D.C. Turnbull and Co. and H.J.R. Somerville at Timaru, and Keith Ramsay Limited at Dunedin. In each of the years from 1953 to 1963, these latter four companies together accounted for not more than 1.5% of total wages paid through the Commission.

Most ports had at least one small independent company. Until the late 1960s, the typical pattern at each of the larger ports was for there to be branches of the Union Steam Ship Company, the Conference Lines or subsidiaries of these lines, the coastal companies, and a smaller independent stevedoring company which survived on the 'leftovers' of stevedoring work. These latter companies were owned by interests with no particular links or ties to shipping companies, but rather were established as independent stevedoring contractors. For instance, Mount Maunganui and Tauranga Stevedores was established by Robert Owens (the founder of the Owens Group of companies) in the late 1950s to capitalize on the lucrative export log trade through this port (see below).

A number of these companies were established early this century by individuals who had interests in allied fields (as merchants or shipping agents, for instance). Kinsey and Company, for example, was originally founded at the Port of Lyttelton in 1913 by Sir Joseph James Kinsey, who was a shipping agent, and was owned by Kinsey along with three other businessmen (one of whom was a merchant).[11] Additionally, some of the independent companies were not exclusively involved in

[11] This company was subsequently taken over by Port Line in 1955.

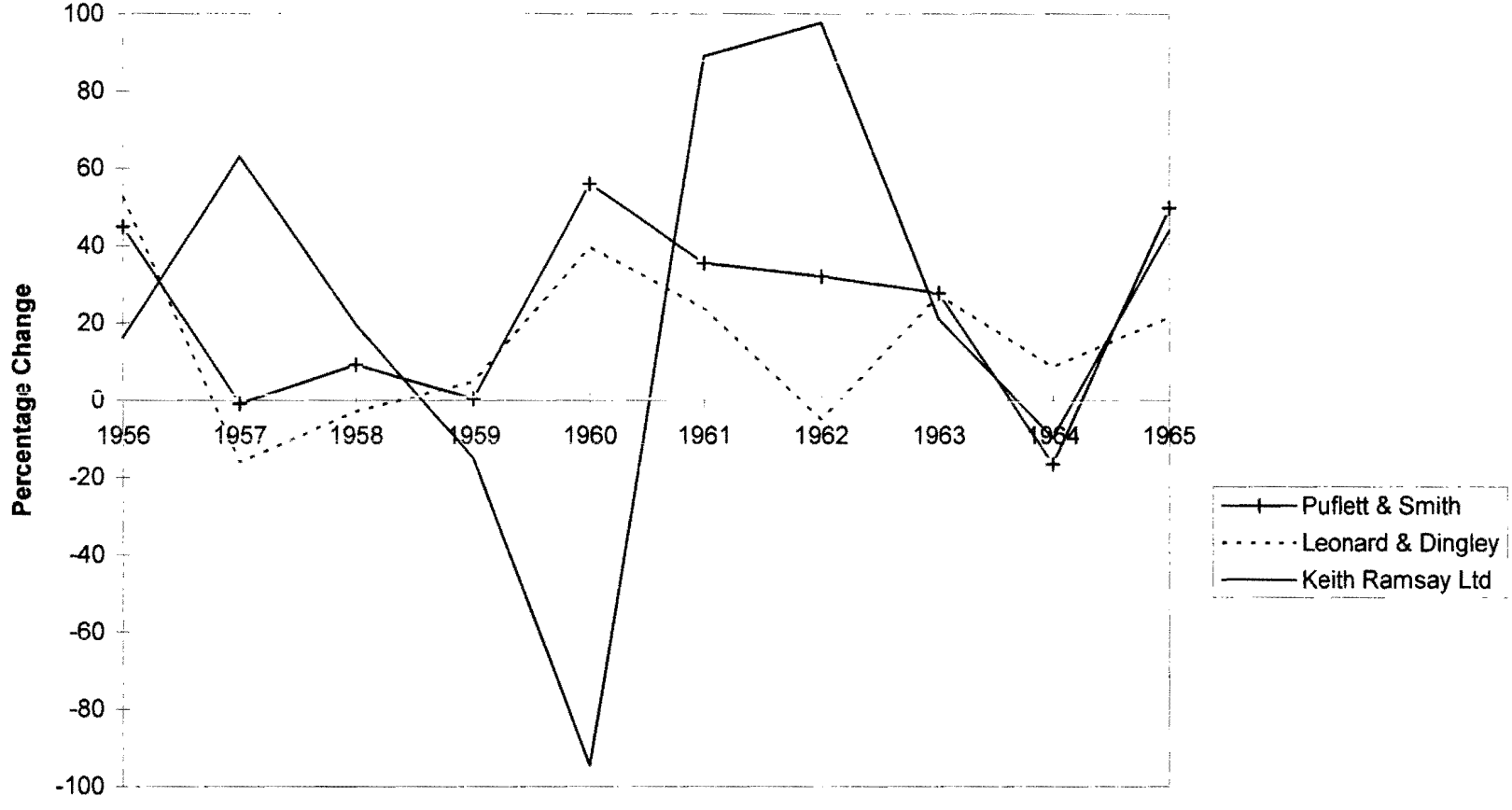
stevedoring. A good example is D.C. Turnbull and Company, a firm that was formed at Timaru in 1942 by David Clarkson Turnbull, which also acted as a grain and produce merchant, a shipping agent and a stock and station agent. Similarly, H.J.R. Somerville and Sons, which was formed at Timaru in 1948 by Henry Somerville, was also a merchant and a shipping agent. The latter two companies were family businesses, and to this day the majority of shares in each are owned by members of the original families.[12]

The independent companies worked in the interstices between the large and the small shipping companies which did the majority of their own stevedoring, and the stevedoring companies which were subsidiaries of shipping companies (such as Kinsey's and New Zealand Stevedoring and Wharfingering) that also contracted for outside work. As the examples in the following paragraph demonstrate, the independent firms generally survived on the work outside both the Conference Lines (which either had their own stevedoring department or used subsidiaries) and the Union Steam Ship Company. Instead, they did the work of companies that only irregularly visited the ports where they were based, or had one or two major contracts with other overseas lines (outside of the British Conference) or the small coastal companies.

At the Port of Whangarei in the mid-1960s Leonard and Dingley (one of the independent companies) worked vessels other than those of the Union Steam Ship Company (which carried out its own stevedoring), bulk fertilizer vessels (which were discharged by the British Phosphate Commission) and the four British Conference Lines. Of these latter, Port Line and Blue Star vessels were worked by the Auckland Stevedoring Company and Shaw Savill and Albion, and the New Zealand Shipping Company's vessels were worked by Waitemata Stevedoring

[12] This information was gleaned from the annual returns filed by these companies with the Registrar of Companies.

Graph 8.2 Yearly Fluctations In Wages Paid By Three Small Companies



(NZTC 1967:28). At the Port of Napier at this time, the British Conference Lines were handled by the Napier Stevedoring Company which also worked some Dutch, French and German vessels (ibid:186). The Union Company stevedored its own vessels, as did the British Phosphate Commission. Richardson and Company also worked its own ships as well as those of the Anchor Shipping and Foundry Company and two Japanese Lines (ibid:186). All other stevedoring, however, was performed by Puflett and Smith (an independent company). Similarly, the independent companies at the Port of Timaru did the work outside of the main lines (the Conference Lines and the Union Company, that is). D.C. Turnbull worked the vessels of the Canterbury Steam Ship Company and the Northern Steam Ship Company, as well as those of the Japan Line. H.J.R. Somerville and Sons worked Nedlloyd Lines, Chandris Line, Columbus Line and Holm Shipping Company vessels. And Mount Maunganui and Tauranga Stevedoring, which also operated at this port, did the stevedoring for two Japanese lines (ibid:412).

Thus, throughout this period (1950-65), small independent companies persisted alongside the large companies which were involved in stevedoring. The small companies often operated on insecure contracts, and there were considerable year-to-year fluctuations in the amount of work they carried out. Graph 8.2, which plots the percentage change in the wages paid each year by three small firms, gives some indication of the fluctuations which were characteristic of working 'on the margins'. Although the availability of stevedoring work outside the main players at most ports was crucial to the success of the small companies, they were only able to capitalize upon this 'niche' because of the way that the labour market was organized. The fluctuations in business these firms experienced, and the attendant fluctuations in their daily labour requirements, were compensated for by the 'labour flexibility' afforded by the bureau system.

Similarly, the involvement in stevedoring of small companies that were not specialist stevedoring firms (those that also acted as shipping agents, for instance), was supported by these same arrangements. It should also be noted, however, that the conditions that allowed small stevedoring companies to flourish also allowed the small coastal shipping companies to do their own stevedoring (and thus reduced their dependence on independent contractors). At Lyttelton, for instance, the Canterbury Steamship Company simply employed one person in the dual role of foreman-stevedore and supervisor and requisitioned gangs from the local labour bureau when its vessels were in port.[13]

It should be noted that a number of the small independent firms that I mentioned above had been established prior to decasualization (e.g. Kinsey and Co., D.C. Turnbull and Co., H.J.R. Somerville and Sons and Leonard and Dingley). This is because the casual labour market functioned to support small firms in a similar way to the bureau system. However the bureau system perpetuated and extended the labour market conditions which supported small firms. In some ways the bureau system was even more conducive to small firms because a ready supply of experienced and skilled labour was always on hand (which could be supplemented with casuals in times of labour shortages). Indeed it was easier to procure skilled deckmen (winchmen and hatchmen), for instance, through a rule-governed requisition system which all companies had to abide by, than through spot-contracts where large companies would have been able to exercise their market power in hiring workers at the 'auction block'.

Small firms, then, were able to co-exist alongside large vertically integrated firms, primarily because they were supported by favourable conditions provided by the system of labour administration. The bureau system provided space for small

[13] This detail was revealed in an interview with a foreman, now retired, who used to work for this company.

firms by abrogating the economies of scale associated with employing labour in an otherwise labour intensive industry. The bureau system, in guaranteeing a supply of labour for the duration of a job, relieved firms of the need to permanently employ watersiders.[14] This system, in turn, provided space for small firms operating on short-term or insecure contracts in competitive and fluctuating (service) product markets where the cost of permanently employing labour would otherwise have been prohibitive. In this sense, firm size was a *dependent* variable in relation to the state-regulated labour market.

Although small firms, like the large ones, were required to pay the National Administration Fund levy, this paled in comparison to the cost of permanently employing labour. Also, the funding of the bureau system through a *national* levy resulted in the cost of maintaining a ready supply of labour being cross-subsidized by the larger firms and busier ports.[15]

As I will demonstrate in the case studies below, not having to employ an operational workforce meant that a small stevedoring company could be established relatively easily and inexpensively. Until 1976 companies that 'employed' watersiders did not have to be registered, and could simply hire or even borrow gear, while retaining labour from their local labour bureau only when they had arranged a job. Not only did companies not require their own mobile cargo-handling equipment (which in any case constituted a small proportion of the total costs of a break-bulk stevedoring operation), at many ports it could not even

[14] To be sure, there were times of labour shortage when a supply of labour could not be guaranteed. But, even then, labour was allocated by the bureaux according to the priorities determined by the local branches of the PEA, which represented both large firms and small firms.

[15] Interestingly enough, Turnbull et al. note a similar effect of the system of labour administration in Britain: "the NDLS proved to be extremely cost effective for the stevedoring companies. In particular, they were able to hire labour for just 4 hours from the NDLB before returning dockers to the pool; labour costs, in other words, were almost perfectly variable. Although employers were required to finance the NDLS via a percentage levy on their total wage bill, this did more to cross-subsidize employment in the industry than it did to provide adequate employment or income protection to the dockers. As a result, the NDLS facilitated the survival of a large number of small employers who might only un/load a handful of ships every year" (1994:6-7).

be used on the wharves because the harbour boards exercised a monopoly on the provision of this equipment.

The bureau system also allowed firms to retain only a nominal presence in ports and to bid for contracts alongside the firms which were permanently based there. Appendix 1 provides some indication of the prevalence of this practice. The Onshore Costs Study states that "it is . . . reasonably common for stevedores to handle individual shipments in ports other than those at which they are permanently based" (MOT 1984:32). When a contract was secured, a stevedoring company would simply send foremen-stevedores to the port, hire equipment, and requisition gangs from the local bureau. Companies that engaged in this practice were referred to by members of some harbour boards as 'carpet-baggers' (ibid:162).

Some of the independent stevedoring companies did actually grow in organizational size. For example, Mount Maunganui and Tauranga Stevedores subsequently developed into one of the larger stevedoring companies in the North Island; Puflett and Smith (at the Port of Napier) was also a reasonably large operation. However, the majority of independent stevedores continued to operate at just one or two ports, and hence in terms of overall market share they were still relatively 'small'.[16] The first independent stevedoring company that operated on a *national* scale, and captured a significant market share, did not emerge until Seaport Operations developed in the mid-1970s. Moreover, throughout the period under consideration - even after containerization - there was still space for smaller independent firms of the type that will be examined in the case studies below.

[16] For example, in 1966 the proportion of total wages paid through the Waterfront Industry Commission by Mount Maunganui and Tauranga Stevedores, and Puflett and Smith, was 1.8% and 0.6% respectively. This is relatively small when compared Union Shipping (the largest company involved in stevedoring), which paid 20% of total wages, and the New Zealand Shipping Company (the next largest) which paid 11.9% that year.

(5) Containerization and the Limits to Vertical Integration

Changes in patterns of ownership and control from the mid-1960s onwards were inextricably intertwined with containerization. In the pre-container era, the large shipping companies (such as Union Shipping and the British Conference Lines) that carried out their own stevedoring were vertically integrated in this manner for reasons other than anything to do with securing a supply of labour (see Williamson 1975; Chandler 1977). They had to requisition gangs from the labour bureaux just as the small independent stevedores did. As the quotation from a manager at the beginning of the preceding section indicates, there always have been pressures for shipping companies to control stevedoring. These pressures center on the cost of time in port. As Kimeldorf writes of the break-bulk period in America:

> Given the industry's proportionately high level of capital investment and fairly uniform labour costs, profit margins were largely determined by efficiency in stevedoring operations. The length of time a ship was in port, earning no revenues while costly dock charges piled up, had to be minimized. A fast 'turnaround' in discharging and loading cargo was therefore essential to economic survival (1988:28).

However these costs, and thus the pressures for vertical integration, were vastly increased by containerization.

Although it was not the first, containerization was the most sophisticated and successful of the attempts to standardize cargoes through *unitization*. This process involved:

> the replacement of man-loads by unit-loads of standardized dimensions, neutralized characteristics, and weights appropriate for the maximum use of mechanical equipment in which units the

> freight could, wherever possible, move from origin to destination without the breaking of bulk (Hoyle and Hilling 1984:9).[17]

Containerization had its origins in attempts to reduce the costs of stevedoring, in the United States in the 1950s (see Gilman 1986; Bird 1971:107). It was given a further impetus in 1965 when the ISO established international standards for containers, marking the advent of the 'standardized ISO container' (Bird 1971:105; Hoyle and Hilling 1984:10).

The advantages of containerization inhere in the efficiencies and economies of a standardized unit-load. Cellular container ships can carry approximately five times more cargo than conventional ships of similar dimensions. Furthermore, container vessels are capable of considerably faster transit times than conventional cargo vessels. Container technology also significantly increases the amount of cargo able to be discharged across the wharf. As Branch (1986:81) notes, it affords the "capability of achieving very fast rates of handling associated with a high rate of throughput per man, which gives large savings in stevedoring costs." Because vessels are faster and achieve higher discharge rates, turnaround times (the time needed to load and/or unload the cargo) are significantly reduced.

However, the pressures for control over stevedoring are heightened by containerization. Willman observes that:

> Containerization applies mass-production techniques to goods distribution which requires standardization and rapid throughput: capacity utilization thus becomes important (1986:112-3).

[17] Branch (1986:83) states that "The success of the freight container stems from standardization: knowledge of the maximum gross weight, the plan dimensions and the disposition of lifting points enables handling equipment to be designed largely without reference to the type of cargo and to be marketed throughout the world."

Not only does containerization make decreases in ship turnaround times possible, the capital intensive nature of container shipping *necessitates* that such decreases be made. As Hayut points out:

> Extensive capital investments in ship construction and . . . [h]igh operational costs of container ships dictate more efficient utilization of the vessels than in the past. The emphasis in vessel operation is to improve the turnaround time of ships in ports and to cut total voyage time by reducing the number of port calls (1981:164).

These features of container operations increase the pressure for vertical integration. As Turnbull et al. (1992:61) note, "Vertical integration is claimed to be the most important characteristic of containerized traffic". Because of the tremendous costs of establishing container operations, and the premium placed on ship turnaround time by shipping companies which operate a container service, the logical step for shipping companies is to vertically integrate with stevedoring companies (i.e. to absorb the latter in the interests of efficiency). Vertical integration then proceeds 'backwards' along the transport chain:

> vertical integration . . . takes place as consortia, and indeed individual shipping lines, take control of cargo handling operations, inland transport forwarding, distribution, and inland container depots. It is essential that shipping companies control the port interface, especially on deep-sea trade where freight is the most significant component of the total transport system (ibid:61).

And, indeed, vertical integration of this type did in fact occur in Britain and America following containerization. In Britain, horizontal and vertical integration in the wake of containerization ultimately "led to the emergence of a smaller number of very large employers in the 1980s" (ibid:61). Finlay noted a similar pattern of vertical integration on the West Coast of the United States. He writes:

> Before the container era, most cargoes were hand-handled as break bulk and relations between the steamship lines and the stevedore companies were exclusively those of the open market: the steamship operator would contract the discharging and/or loading of his ship to an independent stevedore, which would then hire the necessary longshore labour (Finlay 1987:56).

Containerization resulted in these relationships being changed considerably:

> After containerization, a number of steamship lines established their own stevedore subsidiaries to handle their ships exclusively. . . . The steamship lines have decided to reduce delays and mistakes by the doing the job themselves instead of contracting to independent stevedores (Finlay 1988:71,73).[18]

The impact of containerization on the waterfront industry in New Zealand, however, was somewhat different in that vertical integration occurred only unevenly.

In New Zealand, although the rationalization of the industry proceeded, with the concentration of capital in larger enterprises, it did so unevenly. In short, a three-fold movement occurred: a process of 'vertical disintegration' whereby some of the large shipping companies divested themselves of their stevedoring departments and subsidiaries (a development that was linked to the establishment of container terminals); the continued existence of independent stevedoring companies, together with the emergence of two large players within stevedoring (Union Shipping and the Owens Group); and instead of small firms disappearing, a new type of 'hybrid' small firm emerged, which was based on the labour market arrangements generated by the bureau system. I will now sketch in the main features of each of these (not unrelated) developments.

[18] However, a principal difference between the two settings following containerization was that in Britain capital (and hence employment) was concentrated in port authorities (see Turnbull et al. 1992:61-2), whereas in America it was concentrated in shipping companies.

The process of 'vertical disintegration' occurred as some shipping companies divested themselves of their stevedoring departments and subsidiaries.[18] This development was linked to the way that container technology was introduced in New Zealand, which resulted in the establishment of 'common use' container terminals. This, in turn, can be explained in terms of the dynamics of introducing a new type of technology within a small (state-regulated) society. In the larger ports throughout the world it is not uncommon for shipping companies to own and operate, not only container cranes, but entire container terminals (see Branch 1986:115). However in New Zealand the level of trade was such that, in general, it was not economical for shipping companies to have their own dedicated container cranes and facilities.

Regulation by the New Zealand Transport Commission and the Ports Authority meant that the establishment of container terminals was the result of a planned, centralized decision-making process (see Craw 1982). To be sure, once the sites of the four container terminals were confirmed, shipping companies were given the opportunity to establish and operate the terminals.[19] For instance, the Lyttelton Harbour Board invited shipping companies to set up the container terminal at Lyttelton, but they declined. The only port where shipping companies (through a consortium) were prepared to meet the cost of operating a terminal was Wellington. There the terminal was leased from the Wellington Harbour Board by Container Terminals Limited, whose majority shareholder was the Shipping Corporation of New Zealand "with the balance of shares held by the principal shipping line users" (New Zealand Ports Authority 1981:54). At the other three ports (Auckland, Lyttelton and Port Chalmers), however, the harbour boards established the terminals. This was facilitated by the ability of the harbour boards

[18] For an indication of the extent of this process, see Appendix 1.

[19] The decision to establish a container terminal at each of the four ports in question was made in the following years: Auckland and Wellington (1969), Port Chalmers (1970), Lyttelton (1975). The terminals at the former three ports began operation in 1971, and the terminal at Lyttelton began operation in 1976.

to finance container facilities through having access to special local government loans (see Bush 1980).

The establishment of container terminals marked the partial shift of three of the main ports, where harbour boards owned and operated container terminals, from 'tool ports' to 'service ports'. As the Onshore Costs Study (MOT 1984:38) noted, "Each separate container terminal operator provides all of the cargo-handling equipment (although at Wellington the harbour board hires the cranes to the ship operator or his agent), and no private stevedore works in the terminals." Although the three harbour boards in question both provided the equipment and carried out the stevedoring within the container terminals, private stevedores continued to perform the stevedoring on the conventional wharves at these ports. In this respect, they continued to be 'tool ports'.

Each of the container terminals were operated as facilities that could be used by the various shipping companies which visited the ports. This 'common-use' philosophy was particularly strong. For example, the Auckland terminal, like the Wellington terminal, was originally managed by a group of shipping companies (Associated Container Transportation, Columbus Line, and Farrell Lines) through Maritime Services Ltd (Transportant 1972:175). However this arrangement "led to difficulties for other shipping companies and the harbour board re-took control [in 1972] in order to re-assert the common user approach" (MOT 1984:157). At the Port of Wellington this problem did not occur "as all users of the terminal are shareholders in the terminal operating company" (ibid:157).

Because of the public provision of container facilities and services, shipping companies did not require the capacity to stevedore their containerized vessels (which in any case would have been too expensive for them to supply, given the volume of trade in New Zealand). As Trace writes:

> The major sunk cost in liner shipping lies in the investment committed in container terminals. However the existence of common-user terminals means that potential entrants do not need to build their own facilities (1992:95).

The establishment of common-user terminals in New Zealand meant that the shipping lines that switched to containers did not need to build their own terminals. Furthermore, a process of 'vertical disintegration' occurred as some shipping companies divested themselves of their conventional stevedoring departments and subsidiaries, following the shift to containers, opting instead to use the publicly provided container terminals. The exit of the Conference Lines from stevedoring supplies a good example of the process of 'vertical disintegration' which accompanied the development of the container terminals. Their exit coincided with the rise of the Owens Group, which was instrumental in the emergence of one of the two large, national 'contracting' stevedores that developed in the 1970s.

The Owens Group Ltd originated on the waterfront. In 1953 Robert Owens, a postwar British immigrant, founded at the Port of Mount Maunganui a small company that made canvas covers (the Tauranga Canvas Company). Owens moved into stevedoring in the late 1950s and established Mount Maunganui and Tauranga Stevedores, which was built up on the basis of the lucrative log export trade from the port.[20] This company also carried out some stevedoring work at Timaru, Nelson and Picton. The wages paid by this company through the Waterfront Industry Commission increased from £53,749 in 1959 to £506,680 in 1969. In the intervening period, Robert Owens extended his operation further along the transportation chain. Indeed, Owens was a pioneer of 'integrated transport' in this country, with business interests ranging from logging operations

[20] This information was, in part, gleaned from the brief company history contained in the Owens Group Annual Report for 1985.

to road transportation to the (un)loading of ships. These enterprises formed the basis of the Owens Group of companies and partly owned subsidiaries.

Owens' stevedoring operation went national in the early 1970s. As I noted above, this coincided with the exit of the British Conference Lines from stevedoring. The Owens Group took over New Zealand Stevedoring and Wharfingering, as well the stevedoring companies (such as Kinsey and Co. at Lyttelton) that were operated by individual members of the British Conference Lines. After taking over these companies, the Owens Group emerged as the owner of one of the two large national contracting stevedores. This also marked the development of the first *independent* contracting stevedore that operated on a national scale, and the return to New Zealand control of a significant portion of stevedoring.

In the mid-1970s the companies that Owens had taken over (Seatrans Consolidated, Kinsey and Co. Ltd, and Gannaway and Co. Ltd), along with Mount Maunganui and Tauranga Stevedores, were formed into a new national stevedoring company, United Stevedores, which operated in most ports throughout the country alongside the Owens-owned New Zealand Stevedoring and Wharfingering. However, in 1976 this latter company ceased to operate as a distinct entity and was incorporated along with United Stevedores into the Owens' new national stevedoring company, Seaport Operations Limited.

Seaport Operations was an 'independent' stevedoring company in the sense that it was not owned or controlled by a shipping company. However, the Owens Group's entry into stevedoring on a national scale was accompanied by its entry into the shipping industry. The Owens Group did subsequently attempt to vertically integrate forwards into the shipping industry, in a much publicized takeover bid for the Union Steam Ship Company (which was owned by P & O) in

1970. This led to a 'takeover battle' with Thomas Nationwide Transport (TNT) of Australia.[21]

In the five years prior to 1970 the Union Company had returned only a small profit, and was in the costly process of converting to a roll-on roll-off operation (McLaughlin 1987:117). Consequently, P & O was seeking to sell the company:

> P & O appreciated that the Union Company had developed an obligation to continue to provide services to New Zealand and TNT was the only company . . . which had shown an interest in buying it as a going concern to develop it commercially (ibid:117).

However, Robert Owens made a late bid for the company.[22] Although financially weaker than TNT's offer, Owens' bid was strengthened both by P & O seeking the New Zealand Government's approval for the sale of the company, and by the climate of public support for the company to return to New Zealand ownership (ibid:118-9).

Although Owens' bid to take over the Union Company subsequently failed, he was able to purchase a significant shareholding in it. Trace writes:

> In 1971 P & O sold Union Shipping to Tasman Union, a holding company owned on a 50:50 basis by Australian and New Zealand interests. The Australian interest was held by TNT Shipping and Development, a subsidiary of TNT, while the New Zealand interest was jointly owned by Brierley Investments and Owens Investments (1992:92).

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[21] An excellent, detailed account of this takeover bid is provided by McLaughlin (1987:117-123).

[22] According to McLaughlin, despite contact the previous year with P & O, Owens "knew nothing about the possible sale of the Union Company until it was mentioned in the newspapers. He was then forced to make a hurried, rapidly-prepared approach to P & O, who showed a willingness to listen but not to commit. He had no time to properly prepare the kind of takeover he wanted" (1987:117).

By purchasing a substantial shareholding in the Union Company, Owens did acquire an interest in shipping. But, once again, this reverses the usual sequence of events whereby shipping companies seek control of stevedoring following containerization. Furthermore, the opportunity for Owens to enter stevedoring on a national scale was provided by the Conference Lines selling their own stevedoring companies, which, when compared to international developments, was itself unusual. Further, the Owens Group buying into Union Shipping meant that it owned a portion of its main stevedoring competitor.

By the early the 1970s, the Union Company had horizontally integrated by buying up a good many of the small coastal shipping companies. It owned Richardson and Company, the Holm Shipping Company, the Canterbury Steam Shipping Company, and Anchor Shipping and Foundry Company. As I noted above, vertical integration occurred unevenly following containerization. As well as horizontally integrating, the Union Company was the main case where vertical integration did in fact occur. However, the Company tried a different option to a costly lift-on/lift-off container operation, which would have required substantial investment in quayside container cranes, straddle carriers and so forth.

Since the mid-1960s, the Union Company had been converting to unitized roll-on vessels. At that time, ro-ro operations were typically carried out by loading containers onto truck trailers which were then towed aboard ship. The Union Company, however, instead opted to "introduce an entirely new concept in roll-on shipping services by pioneering the use of heavy duty fork lift machines and loading and discharging cargo unitized on large steel pallets or packed in containers" (McLaughlin 1987:164). To complement this operation the company developed a series of dedicated, special purpose roll-on/roll-off terminals, exclusively for its own use, which allowed it to operate outside of the container

terminals and thus to have complete control of container-handling. The author of the Company's history notes that:

> The provision of special terminals at the ports of call was fundamental to the success of the roll-on services. In New Zealand the harbour authorities were at first overawed by the extent of the company's planning but they became most enthusiastic and were helpful in providing facilities for the exclusive use of the Union Company on long leases that guaranteed the revenue required to cover the outlay (McLaughlin 1987:168).

By the early 1970s, as well as a trans-Tasman service, the Union Company "provided unitized roll-on services on the New Zealand coast between Auckland, Wellington, Lyttelton and Dunedin" (ibid:111). The 'Seacargo Terminals', as they were known, were located at each of these ports. In 1975 another terminal was established at the Port of Tauranga.

But by developing and operating its own cargo terminals, where it performed its own stevedoring, the company's stevedoring departments (which catered for conventional stevedoring) were almost rendered redundant. David Graham, a former senior manager with the Union Company, writes of this period:

> The Union Steam Ship Company which operated its own 'in house' stevedoring was . . . gearing up for containerization and the establishment of specialized services for their roll-on roll-off vessels. With gear stores, stevedoring equipment and . . . loyal and long service staff at all ports, the Union Company was faced with major reorganization and redundancy costs in the early 1970s. It was about this time that I took over the management of company branches, including the stevedoring operation. With fewer and fewer conventional company ships and the loss of agency vessels such as British India Steam, the only way to survive, was to aggressively enter into contract stevedoring (1994:10).

This move into contract stevedoring was part of an overall realignment of the company's operations. As McLaughlin notes:

> The company actively expanded in areas where there was a degree of expertise already existing. These activities included tendering to outside companies for stevedoring work at all New Zealand and Pacific Islands ports, undertaking agency representations for foreign vessels calling in the New Zealand area, and also an expanded workshop organization to cater for outside vessels and shore contract work (1987:116).

To carry out these activities, Union Shipping formed a separate stevedoring, freight and agency division. As its 1977 Annual Report pointed out, "the Company is now one of only two which have national coverage of all New Zealand ports with resident staff and gear stores" (1977:15). Its principal competitor was Seaport Operations.

Despite increasing pressures for vertical integration following containerization, the paradoxical growth of a large independent contractor like Seaport Operations, and also the expansion of Union Shipping into competitive stevedoring, at least in part, can be explained by the fact that these companies largely did conventional stevedoring (and that container vessels were worked in the container terminals). During the mid-1970s there was still a considerable (although rapidly diminishing) amount of conventional stevedoring work at ports throughout New Zealand. The Union Company's 1976 Annual Report states that:

> Although containerization and roll on/roll off operations continue to expand, there is still a demand for conventional services to many overseas ports and it is anticipated this pattern will continue for a number of years (1976:18).

Union Shipping entered this field with some success, its 1975 Annual Report noting that the company's stevedoring and ship agency division "traded profitably with nearly half the total revenue coming from other than Union Company

vessels" (1975:21). The cargoes it worked included bulk grain, soda ash, meat, dolomite and bentonite, cars, bananas, and citrus fruits.

The competitive nature of the remaining conventional stevedoring work is indicated by the tactics employed by Union Shipping. David Graham writes:

> A long time stevedore with the British lines, Captain Jim Douglas joined me and with the support of our port supervisors and foremen we offered fixed price contracts to cargo owners - an almost unheard of practice at New Zealand ports at that time. We soon received the support of companies such as Amalgamated Marketing who were then shipping large quantities of mutton and butter to the U.S.S.R. and there were many other companies who welcomed this competitive approach (1994:10).

Competition in this field further intensified in the late 1970s, and the number of firms that engaged in the practice of 'carpet-bagging' increased significantly (see Appendix 1). As Union Shipping's 1979 Annual Report stated, "with a decreasing volume of conventional stevedoring in New Zealand, competition is keen" (1975:5). In 1980, Union Shipping was restructured and a subsidiary company, Union Maritime Services (UMS), was created that incorporated both the stevedoring and ship agency division of the parent company. The new company also was responsible for the operation of the Seacargo Terminals.

While they mostly performed conventional work, UMS and Seaport Operations also began to stevedore 'self-sustaining' container vessels (i.e. those with their own gear) which could be worked outside of the container terminals, on conventional wharves. In 1979 UMS won a tender to operate a container complex at New Plymouth which serviced "self-sustaining vessels operating to the Middle East and The West Indies Gulf" (Annual Report 1979:5). And, in its Seacargo terminals, UMS began to stevedore roll on/roll off vessels belonging to other companies.

Competition within stevedoring continued to intensify throughout the 1980s. As David Graham recalls, "the competition between stevedores was keen and it was not long before Seaport was complaining to their parent company - Owens Group and who at that time also had a shareholding in the Union Company" (1994:11). At the same time the Union Company's Seacargo Terminals were not fairing well. In 1984 and 1985 the terminals suffered a considerable financial loss. The Company's 1984 Annual Report states:

> With the advent of further competition in the Tasman, cargo was diverted from . . . [the] Seacargo terminals to the container terminals. The introduction of Pacifica Shipping Company's roll-on roll-off vessel between Wellington and Lyttelton saw cargoes lost . . . [by] Union Maritime Services' terminals at these ports (1984:8).

The upshot of these developments was a process of rationalization. This process resulted in Union Maritime Services taking over Seaport Operations in November 1986 to form a single national stevedoring company, called New Zealand Stevedoring, and the abolition of the Seacargo terminals at all ports except Mount Maunganui in 1987. Following the transfer of Seaport Operations, Owens Investments Limited abandoned its involvement in shipping and returned to its more traditional spheres of operation.[23] In 1989 it sold its 25% share in Union Shipping to Brierley Investments Limited (the New Zealand based multinational company which already owned 25% of the latter).

In summary, during the 1970s and 1980s, the main players within stevedoring were the harbour boards (which operated the container terminals at the ports of Auckland, Lyttelton and Port Chalmers), the consortium of shipping lines which

[23] In 1985 the Owens Group Limited was transformed into a public company called Owens Investments Limited.

operated the container terminal at Wellington, and (until they merged in 1986) the two national stevedoring contractors. Following the ascendancy of Seaport Operations and Union Maritime Services, some of the smaller stevedoring companies disappeared from the scene. For example, HJR Somerville and Sons ceased to operate as stevedores at the Port of Timaru, and returned to shipping agency work.

However, in the mid-1970s, when containerization was occurring apace, another parallel development was taking place. This consisted of a series of small independent stevedoring firms emerging at ports throughout the country. Each of these was a joint venture in which one of the coalition partners was a local watersiders' union. Because of the involvement of the port unions, I have termed these 'hybrid' firms. What must be explained is the emergence of a new 'type' of small firm (as opposed to the already existing and well-established locally based firms) at a time when one would otherwise expect small firms to disappear. This is particularly so, given that these firms were (with one exception) the only new entrants into stevedoring from 1975 until the industry was deregulated in 1989 (see Appendix 1).[24]

The persistence of small hybrid companies even after containerization, like the growth of large independent stevedoring contractors (such as Seaport Operations), can partly be explained by the fact that the hybrid firms mostly did conventional stevedoring. But the task is to explain why these small hybrid firms emerged at precisely the time when containerization was occurring apace, when conventional stevedoring was rapidly diminishing and was intensively sought after on a national basis by Seaport Operations and Union Maritime Services. How did the hybrid firms manage to survive in this extremely competitive environment? The case

[24] The only other new entrant was Associated Stevedores, an independent company that was established by Les Dickson at the Port of Tauranga in the early 1980s.

studies below both provide an answer to this question and cast further light on the labour market conditions resulting from the bureau system that supported small firms generally.

(6) The 'Hybrid' Firms

To account for the development of the 'hybrid' firms requires an understanding both of the 'space' that the bureau system allowed for small firms, and also the political environment in the 1970s which was conducive to their development. The hybrid firms developed at a time when successive governments were advocating various forms of 'worker participation' (see Smith 1979). Indeed, these firms were frequently paraded under the banner of 'worker participation' (for example, see Wood 1979). Although there was undoubtedly an element of 'worker participation' in the unions' rationale for entering into these ventures, there also was a profit-making side. The historian of the Auckland Union argues that as well as having "ideological concerns with 'industrial democracy'", they "looked for a share in profits, of course" (Roth 1993:182). In any case, my intention is not to assess the extent to which these joint ventures did facilitate industrial democracy, nor to precisely ascertain the motives for the unions' involvement in these enterprises. Rather, I will identify aspects of the political environment which elicited the small hybrid firms and the labour market conditions which sustained them.

Despite the rhetoric of worker participation surrounding their formation, the hybrid firms were not 'worker cooperatives' of the type that emerged on Britain's waterfront after the NDLS was abolished (see Turnbull and Weston 1993). Rather, they were incorporated private companies in which local port unions owned shares. The first of these companies, New Zealand Marshalling Limited, was formed at the Port of Mount Maunganui in 1975 as a joint venture between

the Mount Maunganui Waterside Workers' Union and the New Zealand Lumber Company. The following year, as Wood (1979:21) notes, the Lyttelton Union "formed its own wholly owned stevedoring company" - Express Stevedoring Limited - "which successfully contracted for some bulk cargoes." However in 1977, the Lyttelton Union entered into a joint venture, the Lyttelton Stevedoring Company (see below). Several other hybrid firms were also formed in 1977. The Auckland Stevedoring Company was established when "one of the biggest stevedores of conventional vessels at the port was re-formed . . . with equal shareholding by the Auckland Waterside Workers' Union, the Auckland Stevedoring Co. Ltd. and McKay Shipping Ltd" (Wood 1979:21). The Onehunga Union established its own stevedoring company (Manukau Stevedoring Services Limited), and New Zealand Marshalling established a subsidiary at Whangarei in partnership with the local union. In 1978 the Nelson Union established Nelson Stevedores Limited. New Zealand Marshalling established a small company in partnership with the Gisborne Union in 1980, and also that year South Stevedores Limited was formed at the Port of Bluff by the Bluff Waterside Workers Union, J.E. Watson and Company, and Bay of Plenty Stevedoring.

With the exception of Auckland Stevedoring, which was established by taking over an already existing company, all of the hybrid firms (at least initially) were very small (both organizationally and in terms of market share), and all were engaged in conventional stevedoring.[25] In 1979, Wood noted that these companies "have mostly been formed with a minimum of capital" and "have not been established for cargo handling at the highly capital intensive container and roll-on/roll-off terminals so that to some extent the[ir] future . . . may depend on the viability of cargo handling on conventional [wharves] and bulk shipping not using terminals" (1979:23-4). As I noted above, conventional stevedoring was an

[25] The proportion of wages paid through the Waterfront Industry Commission in 1977 by stevedoring companies that were either partly or wholly owned by watersiders' unions was "5.4 percent of the wages paid for all waterside work" Wood 1979:23).

extremely competitive (and also rapidly diminishing) service product market to enter.

In the case studies below, I will provide a brief discussion of the conditions surrounding the formation and development of two of the hybrid firms: New Zealand Marshalling and Stevedoring Ltd and the Lyttelton Stevedoring Company. Formerly confidential files of the Waterfront Industry Commission (which are now held in the National Archives) allowed me to reconstruct the events surrounding the formation of New Zealand Marshalling and Stevedoring, the first hybrid firm to be established, and to get some insight into the way that state actors were involved in its formation. In the case of the Lyttelton Stevedoring Company I will provide a detailed case study based on company minutes and records, together with interviews I conducted with former key personnel. Each case study highlights different aspects of the conditions which sustained the small hybrid firms. In the former case, a strong element of political sponsorship is apparent, whereas the latter case highlights the supporting role of the bureau system of labour administration.

(6.1) New Zealand Marshalling and Stevedoring

New Zealand Marshalling was established in 1975. This firm was based on conditions which were state-supported in a double-sense. Firstly, as I noted above, the company was formed against the backdrop of the third Labour Government's initiative to encourage 'worker participation' (see Smith 1979:42). Secondly, the bureau system of labour administration provided the 'labour flexibility' to support small firms of this type.

Because of its proximity to the Kaingaroa forest, the Port of Mount Maunganui handled a large volume of wood product exports. At this port the local harbour board was not involved in wharfingering or cargo marshalling. Indeed, there were

six companies which engaged in wharfingering and stevedoring, more than at most other ports throughout the country. New Zealand Marshalling arose out of discussions between the Mount Maunganui Waterside Workers Union and the Tasman Pulp and Paper Company over a possible cargo marshalling contract. As Brian Wood (who was then the Assistant General Manager of the Waterfront Industry Commission) noted, "The formation of the company arose out of a desire by the Union to tender for an important contract for the assembly of pulp and paper cargoes on the wharf." (1979:19).

In July 1974 Union officials had written to Tasman Pulp and Paper to express their interest in tendering for conventional cargo marshalling work, and the aforementioned contract in particular. The Union received a favourable response from the company.[26] The Union officials then entered into talks with the Waterfront Commissioner, the Minister of Labour, along with other Ministers in the Labour Government, about the possibility of tendering for this contract. The Waterfront Commissioner was a crucial actor in the decision to establish a joint venture company. In a letter to the Minister of Labour, Commissioner Bockett indicated that he supported the initiative but pointed out the Union's difficulty in obtaining mechanical equipment to carry out the job, and also the Union officials' lack of managerial experience. He suggested that the Union attempt to enter into a joint venture with the New Zealand Lumber Company, which already undertook stevedoring for Tasman Pulp and Paper.

The Union agreed to these proposals, as did the New Zealand Lumber Company. Tasman Pulp and Paper had intended to place the contract up for tender, but after the joint venture was proposed it asked for a meeting with the Government. A meeting between the Ministers of Labour, Finance and Transport, the Waterfront

[26] Written notes by the Waterfront Commissioner of a meeting with the Mount Maunganui Waterside Workers Union on 31/7/74. Waterfront Industry Commission Records, W3864, Box 53, 5/608 (National Archives).

Commissioner and representatives of Tasman Pulp and Paper occurred in November 1974. At this meeting the Ministers expressed the Government's support for the joint venture, as did the representatives of Tasman Pulp and Paper. Indeed, W. Olsen "said that his company considered that there were advantages in entering into this form of contracting with the Union as it was a sharing of management and would, he felt, create good industrial relations."[27]

New Zealand Marshalling was formed in April 1975 with a nominal capital of just $1000, of which each partner provided half. The Board of Directors comprised the President and Secretary of the Mount Maunganui Waterside Workers Union, along with two representatives of the New Zealand Lumber Company. Not surprisingly, New Zealand Marshalling won the contract to marshall Tasman Pulp and Paper's export cargoes. The contract involved using forklifts (which New Zealand Lumber supplied) to unload trucks carrying newsprint and pulp, to stockpile this material until a vessel was available, and then to place it on the wharf ready for loading (by New Zealand Lumber).

The new company was seen in some quarters as being of national significance, and it received extensive media coverage. The Union President stated that:

> To our knowledge this is a breakthrough in this type of business. If we are successful the union could be a leader to other unions and encourage them to start joint ventures. This could tend to diminish disputes and the board of directors would be able to discuss any problems and look at them from a member's point of view as well as the Company's.[28]

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[27] Notes of meeting between Cabinet Ministers, the Waterfront Commissioner and Tasman Pulp and Paper on 19/11/74. Waterfront Industry Commission Records, W3864, Box 53, 5/608 (National Archives).

[28] *Bay of Plenty Times*, 10/4/75.

The General Secretary of the Waterside Workers Federation also lent his support to the initiative: "It has the full support of the Federation."[29] However Mount Maunganui and Tauranga Stevedores, the contractor that usually handled pulp and paper cargo at the port, vigorously opposed the new company and its contract.

As I noted above, one of the factors that assisted in the formation of the company was political sponsorship by the Labour Government. An important part of this sponsorship was an agreement between the Union and Waterfront Industry Commission which meant that the company could retain waterside workers from the local labour bureau on a semi-permanent basis.[30] As well as one foreman, the company 'employed' one leading hand and six forklift drivers. However, one of the seven watersiders was replaced every six months. This arrangement preserved at least an element of the principle of worker rotation which was central to labour allocation practices under the bureau system. The company could requisition as many additional watersiders from the bureau as it required. In light of this arrangement, the Commissioner granted a reduction in the NAF levy (because guaranteed wages did not have to be paid). This possibility had been discussed prior to the formation of New Zealand Marshalling. G. Symon of the New Zealand Lumber Company had written to the Commissioner in 1974 to ask if the proposed company could make a reduced contribution to the NAF levy, which the Commissioner had agreed to as long as the company provided "long-term continuous employment".[31] This assurance enabled New Zealand Marshalling to include in its tender for the contract the provision that any savings which resulted from a reduction in the levy would be passed on to Tasman Pulp and Paper.

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[29] Ibid.

[30] By 1975 there was a precedent for semi-permanent employment, insofar as this type of arrangement operated in the four container terminals, and also in the Union Shipping Company's Seacargo Terminals.

[31] Letter from G. Symon to Commissioner Bockett, 10/12/74; letter from Commissioner Bockett to G. Symon, 17/12/74. Waterfront Industry Commission Records, W3864, Box 53, 5/608 (National Archives).

Although it employed watersiders on a semi-permanent basis, the company still benefitted from the labour flexibility which resulted from being able to draw additional watersiders from the bureau when work requirements exceeded the capacity of its regular workforce. Indeed, at two crucial points the existence of the bureau system was decisive to the company's survival. When Tasman Pulp and Paper Workers struck work in 1983, New Zealand Marshalling arranged with the Waterfront Industry Commission (with the Mount Maunganui Waterside Workers Union's consent) simply to return its watersiders to the bureau until the strike ended. A similar arrangement was agreed to during the course of an industrial dispute at the Kawerau Pulp and Paper Mill in 1986. These incidents further illustrate the way that special arrangements, which nonetheless were based on the labour flexibility afforded by the bureau system, allowed this small hybrid firm to operate.

In 1977 New Zealand Marshalling gained a contract to load two Tasman Pulp and Paper vessels using forklifts and ship's elevators, which marked its entry into contract stevedoring. To reflect this shift in its sphere of operation, the name of the company was changed in 1980 to New Zealand Marshalling and Stevedoring Limited. By 1981, it had secured contracts to stevedore all of the New Zealand Shipping Corporation's vessels which entered the port, and also had stevedoring contracts with the New Zealand Farmers' Fertilizer Importing Company and Armada Lines. It had also increased its workforce to 25, and by this time had assets totalling more than $500,000.[32] In 1977 the company established a subsidiary company at Whangarei (New Zealand Marshalling (Whangarei) Limited) which it owned jointly with the Whangarei Waterside Workers' Union. A similar company was established in partnership with the local union at Gisborne in 1980.

[32] *New Zealand Herald*, 6/7/81.

In summary, New Zealand Marshalling was formed through series of agreements between private actors and state actors, as a vehicle for the Mount Maunganui Waterside Workers Union to enter cargo marshalling. As such, the company originally was based on a prior agreement that it should gain a marshalling contract. Because it was a long term contract, and because the company semi-permanently employed watersiders, the labour flexibility afforded by the bureau system was not as important as it might otherwise have been to the continuing existence of this particular hybrid small firm. Nonetheless, at two decisive moments, when industrial action outside the port disrupted the company's business, this system was crucial to its survival. The discussion of Lyttelton Stevedoring, in the next section, will demonstrate that the flexibility provided by the bureau system was even more important in the case of small firms that were not able to secure long-term contracts.

(6.2) The Lyttelton Stevedoring Company

The Lyttelton Stevedoring Company was formed at the Port of Lyttelton in 1977. The circumstances surrounding its formation were somewhat more conventional than those of New Zealand Marshalling, in that it was largely established in order to break a 'stranglehold' by the larger players over stevedoring at this port. Lyttelton was one of the ports where, outside the container terminal, the only contracting stevedores were Seaport Operations and Union Shipping. One shipping company in particular, Geo. H. Scales, was the 'first mover' in the formation of the company. In an interview, the former Manager of the Lyttelton Stevedoring Company, Captain Anderson, recalled that:

> Lyttelton Stevedoring . . . came into existence because of frustration. . . because there was no competition in the area, so shipping companies felt they were totally at the mercy of the particular stevedoring companies there. They had to take what they offered. They could see perhaps where there was sloppiness and

> the rest of it in management . . . and they couldn't do anything about it. So Ross Fast, who was then manager of George H. Scales in Christchurch, at that stage he approached various people and said 'well why don't we set up our own stevedoring company'. (Interview)

Geo. H. Scales was a shipping company with a longstanding history of operating outside the main players, having originally been formed by farmers to break the monopoly of the Conference Lines (see Coveney 1972). Its ships were primarily conventional vessels, and carried wool, meat and fruit. In the 1970s Scales had used Seaport Operations to stevedore its vessels, but there was little incentive to turn them around quickly because of the 'cost-plus nature of the contracts used (see below). According to the former Company Secretary of Lyttelton Stevedoring (who subsequently worked for Scales), Scales was involved in the Lyttelton Stevedoring Company to provide a service to its own ships, and to the vessels of the companies it acted as the agent for, and also to introduce more competition into stevedoring at the Port of Lyttelton.

The other partners in the Lyttelton Stevedoring Company were McKay Shipping (another of the smaller shipping companies involved in conventional shipping), Bay of Plenty Stevedores Limited (and independent stevedoring company based at the Port of Tauranga), and the Lyttelton Waterside Workers Union (through its own company Express Stevedoring). Along with Scales, McKay Shipping owned a sixth of the shares, and the latter two partners owned a third each. The Company's directors were drawn from each of the partners, and the two who represented the Union were respectively the Union Secretary and Vice-President.

Lyttelton Stevedoring was not truly 'independent' because two (and latterly three) of its shareholders were shipping companies. Nonetheless, Lyttelton Stevedoring was established not just to provide a service to these companies, but as a contracting stevedore that was expected to return a profit to its owners. The

minutes of the first Board of Directors' meeting record a comment by one of the directors which makes this clear: "L. Batchelor . . . made the point that the operation must be looked on as a commercial enterprise and that to survive the Company would need to make a profit."[33] The company minutes demonstrate that profitability was a primary concern particularly to the Union (which is understandable given the investment of Union funds in the venture).

The fact that stevedoring companies did not have to employ an operational workforce, because of the bureau system of labour administration, meant that a small stevedoring company like Lyttelton Stevedoring could be established relatively inexpensively. The contrast with the first years of the post-reform period (where labour is directly employed) was highlighted by Captain Anderson:

> We at Lyttelton Stevedoring were set up with sixty thousand dollars. And we could do that because our basic requirements were enough foremen to be able to run the job labour-wise, and a manager and a girl, and that was it. But nowadays if you wanted to set up a stevedoring company you've got a manager, you've got your foremen, and then you've got your actual labour itself which you've got to pay the whole year round. So . . . you wouldn't set up a stevedoring company these days under half a million. (Interview)

This led to a 'streamlined' type of company structure. When it was first formed, Lyttelton Stevedoring employed just six full-time staff: the Manager (who doubled as a supervisor), four foremen-stevedores, and an office clerk. Gangs of watersiders were requisitioned from the bureau only when the Company had arranged a job. Because labour was not permanently hired, Lyttelton Stevedoring's management structure was very similar to that of the large companies like Seaport Operations.[34] Any differences were largely in numbers

[33] Minutes of Directors Meeting, Lyttelton Stevedoring Company Minutes, 24/1/77.
[34] Of course, the large vertically integrated companies which carried out stevedoring (such as Union Shipping) had a more complex managerial hierarchy insofar as they employed ship's crews and other workers in their operations.

(of foremen-stevedores, supervisors and so forth). Management, as such, (in the sense of 'man-management') had no place on the waterfront because there was no labour to manage except when carrying out a job, which in any case was primarily the responsibility of the foreman-stevedores.

Similarly the need for equipment was minimal. The Lyttelton Harbour Board supplied all mobile cargo-handling equipment on the wharf (or 'the hard', as it was colloquially termed). The company purchased a small amount of equipment owned by Express Stevedoring, as well as having some gear made, and further equipment was hired from the Harbour Board and other hire agencies. Space was rented in a nearby building for use as a gear store and an office. Registration of the company as an employer with the Waterfront Industry Commission under the 1976 Waterfront Industry Act was a mere formality, the primary criterion being that of employing foremen-stevedores and thus being able to exercise supervision over gangs of watersiders (see Chapter 10).

Thus the Lyttelton Stevedoring Company began its operations with a relatively small capital outlay and minimal overheads. Initially, it secured two contracts: to load frozen meat bound for Japan, and bales of wool destined for the Soviet Union. Indications are that the Company, at least initially, operated largely on short-term contracts and one-off contracts. It was able to survive on insecure contracts of this nature largely because it did not have to permanently employ watersiders. Fluctuations in labour requirements (which was a function of irregular work) were accommodated by the bureau system: the company could requisition several gangs from the bureau one week, and then none the next. Thus this system provided space for the Company to operate in a highly competitive and fluctuating (service) product market where the overhead cost of permanently employing labour would otherwise have been prohibitive. The main fixed labour cost, the wages of foremen-stevedores, was partially defrayed by the Company

hiring out its foremen to its competitors in slack periods. The Company also secured a reciprocal arrangement to hire in foreman-stevedores during busy periods.

Lyttelton Stevedoring tendered for work in a competitive environment alongside Seaport Operations and Union Maritime Services. After beginning with just two contracts, the Company gained contracts for a number of different cargoes. By 1980, it had secured contracts *inter alia* for conventional meat loading, fruit, bulk tallow and gypsum. Also, that year it bought a container spreader which enabled it to work the occasional 'self-sustaining' containerized vessel (which had ship-board cranes).

Lyttelton Stevedoring was awarded a number of contracts in preference to Union Maritime Services and Seaport Operations.[35] But, despite securing a number of contracts, the Company's two competitors had the advantage of being able to offer a service on a national basis. This is reflected in a statement by J. Burch, recorded in minutes of a Lyttelton Stevedoring Company directors meeting in 1980, that they "were at a decided disadvantage being independent operators at ports whereas Seaport . . . could carry losses by incorporating ports overall."[36] For instance, the national stevedoring companies could quote across ports in order to secure a contract with a shipping company for a number of ports. Companies like Seaport Operations also could make up losses incurred at Lyttelton through its branches at ports elsewhere. Indeed, comments in the company minutes of Lyttelton Stevedoring indicated that Union Maritime Services and Seaport Operations sometimes tendered almost at cost price. For example, Lyttelton Stevedoring lost a Polish Ocean Lines contract in 1980 because it was unable to reduce its rates to

[35] Union Shipping's 1978 Annual Report noted that it had lost some stevedoring contracts to Lyttelton Stevedoring.
[36] Minutes of Directors Meeting, Lyttelton Stevedoring Company Minutes, 21/2/80.

match those offered by Union Maritime Services.[37] Union Shipping's 1983 Annual Report states that "with a decline in cargo volumes there has been evidence of low margin quoting as stevedores strive after all available business" (1983:8). Nonetheless, despite the large companies' advantages, one of Lyttelton Stevedoring's directors commented in 1982 that "most new operators into the port over the last five years have come to Lyttelton Stevedoring."[38]

Correctly costing jobs, although a complicated matter that involved "sheets of calculations" (to quote the former general manager), was absolutely crucial to Lyttelton Stevedoring's continued existence. The company secretary recalled that the Company almost collapsed when two contracts were incorrectly costed. The type of contract also was critical. The former general manager, Captain Anderson, stated that the narrow margins which the Company operated on were the reason that it rarely offered fixed rate contracts to shipping companies, preferring instead to work on cost-plus or other types of contracts:

> You can quote on a fixed rate, which is so much per ton, and that includes everything. That includes the cost of the labour, the cost of everything else . . . You can have a fixed rate with most sections. That's a pure gamble because . . . if it rained for three days and you're actually picking up all the costs and you've got a hundred men standing by for three days doing nothing, and they've all got to be paid, you're looking at hundreds of thousands of dollars. You're down the drain, gone. (Interview)

Cost-plus contracts could actually be cheaper because, despite the fact that they were cost-plus to the shipping company, they were less expensive than fixed rate contracts where, because of the risk to the stevedoring company, the fixed rate would have to be high.

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[37] Ibid.

[38] Minutes of Directors Meeting, Lyttelton Stevedoring Company Minutes, 18/11/82.

Small stevedoring companies could potentially be disadvantaged by limitations in the types of contracts that they were able to offer. A large company like Union Maritime Services could afford to offer fixed-rate contracts (as is indicated by David Graham's comments in the previous section), because any losses could be absorbed by the company's branches elsewhere. However it appears there was one type of contract that was in demand, which Lyttelton Stevedoring not only was able to offer, but also enabled it to skim a percentage off the top. This was the 'sliding-scale' contract. Thomas (1978:123-4) argues that sliding scale contracts have distinct advantages over cost plus contracts, in that the sliding scale "is linked to output and productivity and takes into account the behavior of costs with improving performance", whereas a cost-plus arrangement "discourages action intended to improve productivity", since "the gross revenue received by the stevedore or terminal operator falls with increased productivity." Despite the advantages to shippers of sliding scales, the complexity of this type of contract made it possible for Lyttelton Stevedoring to 'hide' charges. As Captain Anderson stated:

> The sliding scale is a very complicated business because its based on you charging so much a ton per hour. So if you're doing twenty tons per hour then the cost is a lot lower than if you're doing only ten tons an hour. . . . Theoretically, its worked on the principle that as your rate increases your profit margin increases. That's the way it should be built in. As the number of tons per hour you do increases, your actual profit margin should increase too, so that both the charterer and you gain. So you pick up about half the additional costs through lowering the rate and he picks up about half of it. That's theoretically. In practice, of course, very few people understand [it] and you can fiddle with it quite a bit. For some reason or other people loved the sliding scale. I don't know whether they actually liked being duped. They must, I think, because it's one that was in very common demand. . . . Theoretically at the bottom of the scale your profit margin should be a lot less, so there's a built-in incentive. But as I said there was very few people who understand how the hell it's worked out in the first place. (Interview)

It appears from company records that Lyttelton Stevedoring's limited ability to offer fixed rate contracts did not greatly disadvantage this company, relative to its two competitors, because fixed rate contracts were not in high demand. The most common contracts were of the cost plus and sliding scale types.

Issues of contractual form aside, the Company survived in a competitive environment also by actively exploiting the personal connections of its directors. The directors who represented the two shipping companies (Geo. H. Scales and McKay Shipping) both had an extensive and long-term involvement in the industry, and they used their extensive contacts within and 'inside knowledge' of the industry to secure contracts. This knowledge included which shipping companies were likely to route vessels through the port, which stevedoring contracts were coming up for review, and the likelihood of Lyttelton Stevedoring gaining a particular contract.

The directors also channelled work from their own companies to Lyttelton Stevedoring. Indeed, all of Scales' own vessels were worked by the Company. Also, Scales acted as a shipping agent and used to arrange for their principals' stevedoring to be done by Lyttelton Stevedoring. An interview with the former company secretary revealed that Geo. H. Scales "would have to get a couple of quotes" in order to get the best deal for their shipping company principals. As only one of the four shareholders in Lyttelton Stevedoring, Scales had to negotiate a contract rate with it, in the same manner as other shipping companies. But, in practice, what usually happened was that the manager at Scales would first obtain a quote from Seaport Operations, and then arrange to receive a marginally lower one from Lyttelton Stevedoring, which he would accept.

Lyttelton Stevedoring was also linked to some of the other small hybrid companies through Independent Stevedores Limited. Although it was a registered company,

this latter organization appears to have been somewhat of a 'quasifirm' (Eccles 1981) in that it mostly acted as a vehicle of cooperation for the loosely connected hybrid firms. It was initially set up to enable some of these companies to compete with national stevedoring companies in quoting for meat shipments and Dairy Board charter ships on a national basis.[39] Although it is unclear whether this was ever carried out, this organization did result in the hybrid firms cooperating by passing on information and work to each other. For example, when Lyttelton Stevedoring was first set up, Auckland Stevedoring readily furnished this company's directors with a copy of its schedule of rates for them to use as a guide.[40]

As in the preceding case, the involvement of the local union in the Company was significant. The Union representatives' detailed knowledge of the prevailing industrial agreements, of how particular types of cargoes were worked, and of any difficulties that were likely to be encountered on the job, assisted in lubricating the Company's operations and its relations with clients. In Captain Anderson's view, the Union did not want, however, to be seen as 'going easy' on the Company. He maintained that the Union's shareholding in Lyttelton Stevedoring:

> didn't really have any effect at all on the . . . day-by-day dealings with the Union. In fact, rather the reverse. I think it probably made the executive members, particularly the walking delegate, more determined to appear not to be influenced. It didn't make matters easier in that respect. They had to be 'squeaky clean' or appear to be 'squeaky clean', you see. (Interview)

He recalled an amusing incident when the Union's involvement in the Company caused a problem for him personally:

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[39] Minutes of Directors Meeting, Lyttelton Stevedoring Company Minutes, 22/11/79.

[40] It should be noted, however, that in this particular case the link between the companies was also a result of the fact that one of the partners in Lyttelton Stevedoring, McKay Shipping, also owned shares in Auckland Stevedoring.

> I had a company car, naturally enough, as a manager. And down at Lyttelton one of the problems we had was getting gear down to the ship from the gear store. . . . You can be sure as hell you just get the job going and . . . [a] gang can't get down below because the access way is blocked and you need a ladder, and the ship hasn't got one. So somebody has to get a ladder and if you haven't got a gear man somebody's got to get in a truck and go out. . . . And in the meantime you've got a gang which is costing maybe something like a hundred dollars an hour or more standing by, doing nothing. So the pressure's really on. And to get round that I had a couple of ski-bars in the garage, and I thought to myself one day 'I'll put those bars on the car' . . . then I can whip a ladder on top and run it straight down to the ship. Immediately the word went right round Lyttelton, 'Anderson's using our car to go skiing'. 'Our' because they [the Union] were shareholders. Simple as that. So I took the ski bars off. (Interview)

Nonetheless, the Company Chairman stated at a meeting that, in relation to bidding for contracts loading meat for shipment to the USSR and Iran, "possibly our connection and relationship with the waterside union could be to our advantage."[41] Undoubtedly, the involvement of the Union played a part in establishing trust with potential clients. The company secretary spoke of "deals being done" and, apart from a few minor incidents which were taken to the Port Conciliation Committee, he could not recall Lyttelton Stevedoring having any serious labour relations problems at all.

Nonetheless, Lyttelton Stevedoring was poised on a knife-edge for much of the 12 years that it was in business. Despite its reasonable success in securing contracts, the Company returned a loss in the first three years that it operated. Indeed, at a directors meeting in 1981, a contingency plan was established regarding redundancy payments to salaried staff in the event that the Company folded. At a meeting of directors that year the Union representative commented that "this year would be the telling one", and another director commented that the Company was

[41] Minutes of Directors Meeting, Lyttelton Stevedoring Company Minutes, 21/8/80.

in need of new business.[42] Lyttelton Stevedoring's situation indicates just how precariously balanced some of the small stevedoring companies actually were, despite the labour conditions associated with the bureau system which were conducive to their existence.

Although the Company broke even in 1982, a director (who represented the Union) commented at a meeting that: "the prospects for the future [are] not too good".[43] But despite the bleak prediction, and the fact that the Company lost its meat loading contracts, the following year was something of a turning point insofar as a small profit was made. In 1984, however, the Company incurred a $16,204 loss. Fixed labour costs in the form of foremen-stevedores' wages were significant during this period. The Company lost the reciprocal agreement with its competitors regarding the cross-hiring of foremen. The directors were extremely wary of employing extra foreman-stevedores, because in the event that it lost a contract, the cost of just one extra foreman's wages could break the Company.

Lyttelton Stevedoring was given a boost in 1986 when Bay of Plenty Stevedores sold its shares to Pacifica Shipping, a Lyttelton-based coastal shipping company. At the same time, each of the four partners adjusted their shareholding to 25%, and the Company's issued share capital was increased to $80,000. After Pacifica came on board, the Company was able to establish a branch at Wellington where it carried out Pacifica's inter-island roll on / roll off work. After establishing the branch at Wellington, Lyttelton Stevedoring's business increased considerably. At Lyttelton it secured contracts for livestock shipments, frozen orange juice, P.V.C., fishing vessels, and paper. It was given a further boost by a contract to work the trans-Tasman container ships vessels of the Tasman Express Line, in which McKay Shipping and Scales were partners.

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[42] Minutes of Directors Meeting, Lyttelton Stevedoring Company Minutes, 27/3/81.
[43] Minutes of Directors Meeting, Lyttelton Stevedoring Company Minutes, 18/2/82.

However, the Company's profitability continued to fluctuate. It made a considerable loss in 1987, and then a substantial profit in 1988. As I argued above, the Company was only able to remain in this precarious situation because of the supporting labour market conditions provided by the bureau system. Just how important the bureau system of labour administration was in supporting small stevedoring companies like Lyttelton Stevedoring, is evidenced by the rapidity with which this company folded when faced with the prospect of permanently employing watersiders.

On September 30 1989 the Waterfront Industry Commission was abolished (see Chapter 13). After that date, waterside workers were directly employed by stevedoring companies and the newly formed Port Companies. Although there was a considerable lead-up to port reform, the earliest mention of this process in the company minutes was in March 1989. To be sure, there had been discussions between the directors the year before about the role of the Port Companies, which were formed in October 1988.[44] These discussions were centered on the possible entry of the newly formed Port Companies into stevedoring outside the container terminals. At a meeting of directors in December 1988:

> [The] Chairman advised that he had spoken to both the Lyttelton Port Company Limited and Wellington Port Company regarding a shareholding in Lyttelton Stevedoring Company Limited. Both Port Companies had been receptive to the approach. They also expressed the view that they would be reluctant to commence stevedoring 'in their own right'.[45]

[44] Port Companies were formed through the 'corporatization' of harbour boards (see Ward 1990). This development, along with the process of waterfront reform generally, will be dealt with in Chapters 13, 14 and 15.

[45] Minutes of Lyttelton Stevedoring Company Board of Directors Meeting, 14/12/88.

Although they were initially receptive after being approached on an informal basis, each of the Port Companies subsequently declined to become involved in Lyttelton Stevedoring.

However, further port reform was not made until a Board of Directors meeting in March 1989. At this meeting a letter from the Secretary of the Lyttelton Union was tabled which "expressed concern for the future of the Company in light of the major changes taking place on the Waterfront."[46] There was a discussion of the Company's labour requirements in light of proposal by the Government to abolish the Waterfront Industry Commission (through the Waterfront Industry Reform Bill). But even then, it appears that it was very much 'business as usual' right up until deregulation actually occurred. At the same meeting the Manager spoke about new contracts for cars, squash and wheat, and the possibility of buying a heavy forklift.

Nonetheless, the pressure on the Company was mounting. At a meeting in July 1989, one of the directors (who was also the local Union Secretary) questioned "whether the Company had the resources to compete with other Stevedoring Companies especially in regard to employing permanent labour."[47] But in the General Manager's report at the next meeting the following comment was made:

> With the current thinking in some quarters that many stevedoring companies will no longer be in business post 30 September 1989 it suggested that the Chairman write to all major lines and customers. It was felt that Mr Grout should reiterate the view that Lyttelton Stevedoring Company Limited would continue to trade and by doing so, preclude the possibility of any one company having a monopoly in stevedoring at the port of Lyttelton.[48]

[46] Minutes of Lyttelton Stevedoring Company Board of Directors Meeting, 23/3/89.
[47] Minutes of Lyttelton Stevedoring Company Board of Directors Meeting, 14/7/89.
[48] Minutes of Lyttelton Stevedoring Company Board of Directors Meeting, 26/7/89.

This statement notwithstanding, at the next Board of Directors meeting a discussion was held about the future of the Company, where the General Manager informed the Board of Directors that "25 watersiders would be required if [the] Lyttelton Stevedoring Company was to consider 'direct employment'".[49] It was subsequently decided that the company could not afford to permanently hire waterside workers. The minutes record that:

> Directors discussed at length matters relating to the future of Lyttelton Stevedoring Company Limited. It was considered that the Company did not have the resources or the capital to employ in Lyttelton the number of personnel which would be required [on] 01 October 1989.[50]

A last ditch effort was then made to was to see if the Lyttelton Port Company would buy the entire company, which it declined to do. The same offer was made to New Zealand Stevedoring, which also was declined.

Ultimately it was the need to employ permanent labour which caused the company to fold. Because Lyttelton Stevedoring operated on short-term contracts, and was thus subject to considerable fluctuations in business, it simply could not afford to directly employ watersiders. Without the labour flexibility afforded by the bureau system, the Company could not continue to operate. One of the directors stated that: "the Company could not survive in its present state as the Company was too small to compete with other larger stevedoring companies."[51] With respect to permanently hiring watersiders, the Company's then General Manager, John Cave, commented to the media that: "We decided that it was too big a gamble to take without guaranteed contracts."[52]

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[49] Minutes of Lyttelton Stevedoring Company Board of Directors Meeting, 30/8/89.
[50] Ibid.
[51] Minutes of Lyttelton Stevedoring Company Board of Directors Meeting, 6/9/89.
[52] *Christchurch Press*, 22/9/89.

Lyttelton Stevedoring ceased trading at the end of September 1989. It was not alone. Within a few months of the abolition of the Waterfront Industry Commission, almost all of the small hybrid firms folded. Only firms like New Zealand Marshalling and Stevedoring, which had secured long-term contracts, were able to survive. However, even that company was forced to rationalize its operation, by closing all of its subsidiaries.

(7) Conclusion

In this chapter I have examined the relationship between the labour market and firm size. Contra the orthodox view in the sociological literature, which conceptualizes firm size as an independent variable in this relationship, in the case of small firms on the waterfront firm size was a variable that was dependent on the occupational registration system that the labour market was organized around. This case demonstrates that the causal relationship between labour markets and firms is, therefore, not unilinear. Firm size was as much a function of the 'type' of labour market, as the type of labour market was a function of firm size.

Additionally, I have identified a novel interplay between firms and labour markets. In previous chapters I demonstrated that the bureau system of labour administration empowered unions, and in this chapter that it secured small firms. These, the most significant, unintended consequences of this system overlapped in the 1970s when several of the watersiders' local unions became involved in establishing small new entrant stevedoring companies.

The other significant finding which has resulted from the analysis of company types in this chapter is that containerization did not give rise to widespread vertical integration. Rather, this process occurred unevenly, and it was accompanied by a process of vertical disintegration. As a result, instead of large vertically integrated

shipping companies becoming the major players within stevedoring, a number of new types of organizations and firms and entered the field.

CHAPTER 9 : INSTITUTIONS AND ACTORS RECONSTITUTED

(1) Introduction

In this chapter I examine the organizational capacities, and organizational form, of the key corporate actors on the side of watersiders and of waterfront employers in the period after containerization occurred. In the first section I outline changes to the legislative framework wrought by the Waterfront Industry Act 1976. The Act both reconfigured aspects of the regulatory environment within which the key actors interrelated, and led to a new actor, the reconstituted Waterfront Industry Commission, entering the scene. Then I deal with the organizational capacities of the key actors, as a prelude to examining how the relationships between these actors were played out within the spheres of employment relations, industrial relations and work relations during the 1970s and 1980s.

(2) The Waterfront Industry Act 1976

In this section I will briefly overview the changes to the institutional framework that were wrought by the new Act. Although a full account of the origins of the Act is beyond the scope of this chapter, it can briefly be noted that pressure had been mounting for some time, on both the side of the unions and that of the employers to make changes to the Waterfront Industry Act 1953. For example, despite the port unions having achieved a considerable measure of informal control over recruitment at the port level, the Waterside Workers Federation sought formal joint control over this aspect of the labour supply. Also, since the mid-1960s, successive governments had regarded it as being desirable to establish 'one judicial authority' to cover the main occupational groupings on the waterfront, in order to resolve demarcation disputes promptly. Perhaps the most significant development, however, was that agreement had been reached between

the WWF and the PEA during the term of the Waterfront Conference to push for the transformation of the Commission into a *representative* organization.

The third Labour Government registered its intentions to alter the Waterfront Industry Act 1953 by inviting submissions from the WWF and the PEA in March 1973. After a lengthy series of submissions a Waterfront Industry Bill was drafted in 1975. Before it could be passed a new National Government was elected in November of that year. However the incumbent Government simply passed the Bill into law in December 1976 without altering it, and the new Act took effect on 1 April 1977.

While the Act left the bureau system of labour administration fundamentally intact, it altered aspects of the regulatory framework that underpinned it. For example, port unions were granted formal joint control of recruitment, and the responsibility for selecting new entrants to bureau registers was transferred from the local branches of the PEA to the port conciliation committees. The Act also legally codified a practice that had been established in the early 1970s whereby the packing and unpacking of LCL containers had to be performed within wharf limits by watersiders (see Chapter 7). It also contained provisions for the Government to formally designate portside container terminals and inland container terminals.

The Act also removed the other main occupational groups on the waterfront (foremen stevedores, tally clerks, and harbour workers who were involved in cargo-handling) from the mainstream arbitration system, and placed them under the jurisdiction of the Waterfront Industry Tribunal. These groups were given access to the local port conciliation committees to resolve disputes with their employers, and the industrial agreements that they were party to were transformed into principal orders issued by the Tribunal. But, significantly, they remained

outside the broader system of labour administration, and as such continued to be 'directly employed' by their respective employers.

However the more fundamental change wrought by the Act was to the role and composition of the Waterfront Industry Commission. Significantly, the Commission was reconstituted from a non-representative institution (overseen by a Government appointed sole Commissioner) to an institution that represented the port unions and the waterfront employers. Under the Act the Commissioner was replaced by a five-member panel that was made up of an independent chairman, who was appointed by the Government, two representatives nominated by the employers (one drawn from each of the Port Employers Association and the Harbour Board Employers Union, and two representatives nominated by the Waterside Workers Federation.

Not only was the composition of the Commission changed, its role was substantially altered. Whereas previously the role of the Commission and the Commissioner had been purely administrative, in relation to the functions of the labour bureaux, the Act conferred upon the new representative Commission a decision-making role in two key areas. Firstly, the Commission was given responsibility for the setting of bureau register strengths and the formulation of bureau rules at the port level (which previously had been the responsibility of the local port conciliation committees). Secondly, the Act required employers that retained watersiders from the labour bureaux to be registered by the Commission as 'employers of waterfront labour'. The Commission had the task of deciding who was eligible to register, and only registered employers could 'employ' watersiders and enter into industrial agreements (via principal orders) with the local port unions and/or the WWF. The registration of employers thus became central to their constitution as actors within the spheres both of employment relations and of industrial relations.

The Commission was also responsible for appointing 'port inspectors' whose role, under s 9a of the Act, was to "ensure the full and proper utilization of waterside workers and to ensure that employers carry out adequate and continuing supervision to promote the efficiency of waterside work." Thus part of the new representative Commission's role was to exercise surveillance over employers. The port inspectors were to report back to the Commission, which had the power to suspend or cancel the registration of an employer who did not comply with their responsibilities under the Act.

By altering the composition of the Commission the Act had, in effect, created a new corporate actor out of the worker and employer organizations previously constituted and recognized by the Waterfront Industry Act 1953, which in turn had institutionally mediated the 'basic' interests of capital and labour. Under the Act, the Commission itself became a 'corporate actor' alongside the already existing key actors, with the responsibility and authority to make decisions within the sphere of employment relations that were binding upon these actors. Furthermore, the Commission as an organization had its own particular set of interests, which were not merely reducible to those of the worker and employer organizations that it 'represented' (see Chapter 10). The Commission's interests centered on fulfilling its statutory obligations, legitimating its authority relative to that of the key actors, and establishing its own public 'credibility' as an organization.

The Commission's role, relative to the key actors, led to the emergence of an additional set of tensions (within the sphere of employment relations) between centralized and decentralized decision-making, alongside the tensions between the national and the local which had always existed within and between the summit organizations of the unions and of the employers. In Chapter 10, I will demonstrate that these tensions were particularly evident in the Commission's

attempts to determine register limitations at the port level. They were also evident in the Commission's decision not to appoint port inspectors (see Chapter 11).

The hiatus between the provisions of the new Act and how it was implemented in practice demonstrates that it was not possible to simply legislate into existence a new corporate actor without generating resistance (which was path-dependent) from the existing corporate actors originally constituted and recognized by the Waterfront Industry Act 1953. This was so, despite the fact that these latter actors had agreed that the Commission should be transformed into a representative body. Insofar as the tensions that emerged were only resolved in actual administrative practice, the Act did not function as a rigid 'blueprint' for reconfiguring the already existing institutional and organizational framework.

(3) The Port Unions

During the 1970s and the early 1980s the 'organizational capacity' of the port unions and their summit organization, the Waterside Workers Federation, steadily increased. This was so, despite the internal divisions that wracked the Federation in 1970. To recap, a national federation had been formed in 1967 that consolidated the 'internal strength' of the port unions' representative organization (which until that time had taken the form of two regionally-based federations linked via a 'joint council'). However, as I demonstrated in Chapter 5, a fundamental source of instability within the Federation emerged in 1970 when the Auckland and Wellington port unions refused to ratify GPO 305. While the Wellington Union capitulated within a matter of weeks, the Auckland Union held out for a full seven months before agreeing to become party to the new national agreement in March 1971.

This development, which pitted the two largest (and arguably the strongest) port unions against their national organization, had the potential to erode the fragile unity of Federation. In particular, it seriously questioned the ability of the Federation to secure an 'externalized' form of organization, wherein the port unions delegated to it their relations with employers in order to bargain at the national level. However, unity began to be gradually restored within the Federation after the Auckland Union was brought back into the fold.

Late in 1971 the Auckland Union sought to become active again within the Federation. As I noted in Chapter 5, undoubtedly part of the reason for the Union's reconciliation with the Federation was that it was facing an unsettled period in which containerization was occurring apace, with the threat of redundancies looming large. However the Federation also accommodated the wishes of the larger unions, like Auckland and Wellington, which it could not afford to have secede from it because of their sheer numerical strength. For example, it was resolved at a meeting of the WWF Executive in 1975 to allow Supplementary Principal Orders at some of the larger ports (notably Auckland) to be renegotiated prior to the national agreement. However this latter move was coupled with a change to the Federation's rules which required the port unions to submit all local agreements made with employers to the Federation for approval (see Chapter 11). This was done, at least in part, in order to forestall a union from breaking ranks during national bargaining and negotiating its own agreement at the port level with the employers.

Throughout this period the local autonomy of the port unions did not reassert itself in a manner which posed a threat to the Federation's unity. Indeed rather than port unions breaking with the Federation, other unions joined the Federation. At a number of ports the tally clerks (who had their own union) joined the local watersiders' union. At these ports amalgamation was effected by creating a tally

clerks 'section' within the port union.[1] By this time most of the port unions possessed a stable and experienced membership (see Chapter 10).

This did not mean that internal divisions within the Federation, particularly between the large unions and small unions, were removed or lessened. This tension is evident in a debate that occurred at the Federation's national conference in 1974 over the representation of larger unions on the national executive. Under the representative structure that existed, each port union could elect only one executive member, which meant that the larger unions like Auckland, Wellington, and Lyttelton (which comprised the bulk of the rank and file) had the same representation as smaller unions like Picton. Ron Wasley of the Lyttelton Union commented that:

> it is the big ports that provide the economic punch [through strike action] when it is needed. The large ports are really only asking for representation relative to the size of their membership.[2]

However these tensions only manifested themselves *internally*, and did not intrude upon the Federation's dealings with the employers as they did in 1970.

The main effect of these divisions was to preclude the transformation of the Federation into a national union. This latter move was suggested by the members of the executive at the Federation's biennial conference in 1976 and was supported by representatives of the Auckland, Wellington and Lyttelton Unions. (The fact that the Auckland Union's delegates supported the formation of a national union demonstrates the degree to which that union had been incorporated back into the Federation.) In his report to the conference the General Secretary of the

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[1] By 1974, the tally clerks had amalgamated with the local watersiders' union at the ports of Wellington, Lyttelton, Mount Maunganui, and New Plymouth.

[2] Minutes of Waterside Workers Federation Conference, 21/10/74. New Zealand Waterfront Workers Union Records, 92-305, Box 14/3 (Alexander Turnbull Library, NLNZ).

Federation, Ted Thompson, advocated the formation of a national union, but conceded that the majority of port unions were opposed to this move. Once again, it was the small unions that demurred. A comment by a representative of the Westport Union (B. Andrews) summed up their position: "It is the protection and autonomy of the small ports we are concerned about."[3] The persistence of this opposition is reflected in the results of a national ballot that was held in 1980 which opposed the formation of a national union.[4]

However the fact that there was considerable opposition amongst the port unions to forming a national union did not adversely affect the Federation in its dealings with the employers. Although it was a division between the large unions and the small unions that prevented the formation of a national union, in their dealings with the employers the unions were united within the Federation. In this sense, these 'internal' divisions did not manifest themselves 'externally'.

Throughout this period an 'externalized' form of organization was maintained whereby the port unions delegated to the Federation their dealings with the employers, in relation to negotiating the national agreement (the GPO) and the port level agreements (the SPOs). Also, it appears that the unions generally abided by the rule that all other local agreements (such as those negotiated with individual employers) had to be vetted by the Federation executive. Significantly, there was no further instance of a union 'breaking ranks' in the manner that the Auckland Union had in 1970.

If anything, the Federation was increasingly cohesive in its dealings with employers during this period. In the following section I will show that the

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[3] Minutes of Waterside Workers Federation Conference, 18/10/76. New Zealand Waterfront Workers Union Records, 92-305, Box 14/4 (Alexander Turnbull Library, NLNZ).
[4] Minutes of Waterside Workers Federation Conference, 20/10/80. New Zealand Waterfront Workers Union Records, 92-305, Box 14/6 (Alexander Turnbull Library, NLNZ).

employers, on the other hand, experienced increasing disunity following the shift to containerization. Consequently the port unions, acting in concert with their Federation, were able to 'pick off' individual employers through decentralized bargaining, but the employers were unable to split off any of the port unions from the Federation.

Divisions only began to reassert themselves within the Federation in the mid-1980s. Once again the Auckland Union was involved, but this time the conflict was not over an industrial agreement. In 1975 a comprehensive Waterfront Superannuation Fund had been established to replace the previous schemes. And in 1982 a change in tax rates that applied to schemes of this type prompted the Fund's trustees, who were drawn from the Federation's national officials, to seek to legally reclassify it as a pension scheme. The trustees, along with the General Secretary of the Federation, visited every port in order to explain the proposed change. Ballots were taken and at all ports, except Auckland, the vote was returned in favour of reclassifying the Fund.

The Auckland Union objected to this change to the Fund on the grounds that it had the potential to disadvantage watersiders who wanted to take their entitlement in the form of a 'lump sum'.[5] The opposition amongst the rank and file of this union to the proposed change was considerable, with 1000 of its 1200 members voting against changing the Fund.[6] Nonetheless the change was made, and in December 1983 the Auckland Union served an injunction on the Fund's trustees in an attempt to return the Fund to its original form. The Union then took a case to the High Court in March 1984, which found in favour of the trustees. This decision

[5] Under the new tax regime all superannuation funds had to be classified into one of four categories, which attracted different tax rates. The dispute in question centered on the fact that members of the Auckland Union believed that the trustees of the fund had classified it in a manner which would penalize those who sought to take their entitlement from the fund as a 'lump sum' rather than in the form of regular pension payments.

[6] Minutes of Waterside Workers Federation Conference, 15/10/84. New Zealand Waterfront Workers Union Records, 92-305, Box 14/8 (Alexander Turnbull Library, NLNZ).

was eventually appealed by the Union to the Court of Appeal in 1986, again unsuccessfully, and the Union then threatened to take the case to the Privy Council.

In Chapter 11, I will demonstrate that it was at the very time when the Federation was attempting to reorganize in response to the prospect of the industry being deregulated, when the formation of a national union was most vital, that it was faced with persistent legal action by the largest of its member unions. Debates occurred at the Federation's biennial conferences in 1984 and 1986 regarding the merits of forming a national union. The difficulties that the actions of the Auckland Union posed to unification were expressed by General Secretary Jennings at the 1984 Conference: "the debacle brought about by the change . . . to the Superannuation Act has brought to the fore, with a vengeance, the question of big port domination."[7] A remit put to the conference, that the national executive investigate the possibility of forming a national union, was defeated. This matter was raised again at the Federation's conference in 1986, but once again agreement could not be reached. Even the representatives of the larger unions, which had previously supported forming a national union, expressed doubts in light of the actions of the Auckland Union. In the words of a Wellington Union representative (T. Cutter):

> We have got a section of our own organization who are prepared to take us to the Privy Council. . . . We talk about democracy, well what then is it? . . . What kind of national union is it going to be?[8]

As a result of these organizational difficulties a national union was formed only after the introduction of the Labour Relations Act 1987 which required all registered unions to have at least 1000 members (see Chapter 13). A national

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[7] Ibid.

[8] Minutes of Waterside Workers Federation Conference, 22/10/86. New Zealand Waterfront Workers Union Records, 92-305, Box 14/9 (Alexander Turnbull Library, NLNZ).

union was therefore legislated into existence. Even then, the Auckland Union briefly considered forming a separate union, insofar as it had more than the 1000 member minimum stipulated by the Act.

It must be reiterated, however, that divisions within the Federation only posed a threat to its organizational capacities when they (re)emerged in the mid-1980s. During the bulk of the period under consideration, divisions within the Federation were dealt with in a manner which did not sap its 'external strength'. Despite the fact that the watersiders' summit organization was a federation comprised of port unions, which continued to have a considerable degree of local autonomy, throughout the 1970s and up to the mid-1980s they were more successful than the employers in maintaining an 'externalized' form of organization.

(4) Employer Organizations

In this section I will deal with the 'organizational capacities' of the employers in the period after the shift to containerization. Overall, the capacity of the employers to organize collectively diminished as a fragmentation of actors and interests led to internal divisions on their side. This employer disunity stemmed from changes in the types of organizations that were involved in stevedoring after containerization occurred. I dealt with these changes in company type and form in depth in Chapter 8. To recap, the most fundamental development was that containerization did not give rise to pervasive vertical integration. Instead of vertically integrated shipping companies dominating the market, a number of new types of firms and organizations emerged as a process of 'vertical disintegration' occurred.

Overall, four main groups of corporate actors emerged. Overseas shipping companies and coastal shipping companies continued to be 'interested' actors with

regard to how stevedoring was carried out, although many of these companies were themselves no longer directly involved in stevedoring. But alongside these shipping companies there emerged a number of new entrant firms and organizations that became involved in stevedoring. There were container terminal operators who carried out the stevedoring within the container terminals which were established in the early 1970s. With the exception of the terminal at the Port of Wellington, the terminals were operated by harbour boards. In this sense, harbour boards entered the institutional field as significant actors. Additionally, large stevedoring companies that were 'independent' of shipping companies developed, along with a minor new entrant firm in the form of the small 'hybrid' stevedoring companies that some of the port unions were involved in. And, to a lesser degree, even the harbour boards that did not operate container terminals emerged as actors within this field, insofar as some (such as the Southland Harbour Board) sought to enter stevedoring.

The diversification and fragmentation of employer interests which stemmed from containerization resulted in the Port Employers Association, as an organization that traditionally had been led by shipping companies, no longer being representative of the main sets of actors on the employers' side. Insofar as the interests of these corporate actors were not congruent, they formed separate representative organizations. This reorganization of the employers led to the emergence of four different bodies.

The Port Employers Association, which previously had been the sole employer organization, became relegated to status of just one amongst a number of such organizations in the post-containerization period. The Association continued to represent shipping companies (both conventional and container), and it also represented stevedoring companies. The fact that stevedoring companies belonged to the PEA was a legacy of the fact that this organization had previously

represented both sets of interests, in the days when stevedoring companies were smaller and less significant as actors, but had been dominated by the shipping companies.

In terms of shipping companies, the mainstays of the PEA continued to be the Union Steam Ship Company, and the British Conference Lines (some of which had formed new subsidiaries to enter into container shipping through companies such as Overseas Containers Ltd. and Associated Container Transportation Ltd.). To some extent the coastal shipping companies declined in significance after containerization (see Broeze 1992). However a fundamental split emerged within this organization between the shipping companies and the stevedoring companies. In the 1950s independent stevedoring companies were generally small companies that were based at a single port (or a handful of ports), and the larger stevedoring companies were owned and controlled by shipping companies (see Chapter 8). The split that developed reflected the exit of a number of shipping companies (primarily the Conference Lines) from stevedoring in the late 1960s and early 1970s, and the rise of the large and commercially aggressive, independent 'contracting' stevedores like Seaport Operations and Union Maritime Services. The interests of these latter companies were not necessarily congruent with those of shipping companies.[9] This is exemplified by the fact that Seaport Operations, one of the two largest specialist stevedoring companies, was one of the leaders in establishing the Stevedoring Employers Association.

The Stevedoring Employers Association (SEA) was formed in November 1978 to represent stevedoring companies. Its founding members were the main

[9] Although Union Maritime Services was in fact a subsidiary of the Union Steam Ship Company, it contracted for stevedoring work outside of its parent company. As the only other national stevedoring company it was Seaport's main competitor (see Chapter 8).

independent stevedoring companies that operated on the waterfront.[10] Robert Owens of Seaport Operations was the main protagonist in forming this organization.[11] The SEA was formed to represent the interests of the stevedoring companies in spheres such as lobbying to keep harbour boards out of stevedoring, to attempt to achieve greater unity amongst these companies in bargaining with the unions, and to differentiate the interests of stevedoring companies from those of the shipping companies that did not act as stevedores (which were represented by the PEA). It should be noted, however, that many of the stevedoring companies that belonged to this organization also belonged to the PEA.[12]

The third employers' organization, the Container Terminal Operators Association (CTOA), was formed in the early 1970s by the organizations that operated the country's four container terminals. As such, it comprised three harbour boards (Auckland, Lyttelton and Otago), as well as the consortium of shipping companies (Container Terminals Ltd.) which operated the container terminal at the Port of Wellington. The CTOA was formed primarily to represent these organizations in bargaining with the unions whose members made up the 'composite workforce' (of watersiders and harbour workers) that worked within the terminals.

The fourth (albeit peripheral) organization was the Harbour Board Employers Union (HBEU). This organization had existed for a number of years and represented the harbour boards in negotiating with their principal group of employees, the harbour workers. Outside of the container terminals harbour boards generally did not 'employ' waterside workers, the exception largely being ports where the harbour board was involved in cargo receival and delivery. But

[10] The founding members were as follows: Anchor Dorman, Bay of Plenty Stevedoring, Leonard and Dingley, Marine Services and Stevedores, Puflett and Smith, Seaport Operations, Tapley Swift Shipping, D.C. Turnbull and Co., and Union Shipping.
[11] Owens had threatened to break with the PEA as far back as 1965, when he was the managing director of Mount Maunganui and Tauranga Stevedores at the Port of Tauranga.
[12] The companies that held dual membership included Puflett and Smith, Seaport Operations, Union Maritime Services, and Bay of Plenty Stevedoring.

owing to developments such as demarcation disputes this organization was drawn into the field of play that the preceding groups of employers operated within. This was also the case insofar as negotiations between waterfront employers and watersiders set a benchmark for the negotiations between harbour boards and their own employees in the cargo-handling area. The HBEU overlapped with the Container Terminal Operators Association insofar as the three harbour boards that operated container terminals belonged to both organizations. There were, however, considerable differences of interest between the two organizations.[13]

This fragmentation of actors and interests on the employers' side in the wake of containerization undermined their organizational capacity with respect to the practice of industrial relations. The divisions between the different groups of employers rendered it increasingly difficult for them to organize collectively in their dealings with the Waterside Workers Federation. In Chapter 11, I will demonstrate that the Federation and the port unions exploited this disunity to good effect by means of decentralized bargaining. They capitalized upon this increasing employer disunity by negotiating special agreements with individual companies which divided the employers even further.

These developments in the 1970s prompted the employers to attempt to form a unified and overarching employers' organization that would handle all negotiations with the port unions and the Waterside Workers Federation. The possibility of forming a new employers' organization was first suggested in 1976. A conference was held that year at which the main groups of employers agreed in principle to form an overarching organization to represent their interests (see

[13] For example, the regional harbour boards opposed allowing non-cellular and partly cellular vessels to be (un)loaded within the container terminals. Because of a restriction imposed by the WWF in 1982, these vessels had to be worked outside of the terminals. Consequently, many regional ports received a number of these vessels which might otherwise have been worked at the container terminal ports. The Container Terminal Operators Association, on the other hand, persistently sought to eliminate this restriction (see Chapter 11).

Chapter 11). A 'steering committee', comprising representatives of the four separate employers' organizations, was subsequently established to facilitate the formation of a new organization. However the committee faced a number of problems in reconciling the different positions of the main employer groupings with respect to the nature and role of a new and inclusive employers' organization.

Significantly, the matters in dispute centered on the composition and representative structure of the proposed organization. The tensions amongst the different groups of employers on this issue are clearly evident in records of discussions which were held at various PEA Management Committee meetings during 1976. For example, the minutes of one of the meetings record that: "A difference of opinion was . . . apparent as to how far operational employers would accept formulation of policy in regard to conditions of employment . . . by the proposed Federation."[14] This tension was indicative of a split between the specialist stevedores (such as the container terminal operators and large independent stevedoring companies like Seaport Operations) who were 'operational employers' in the sense of retaining gangs of watersiders from the Commission, on the one hand, and the shipping companies - only some of which were involved in stevedoring. The issue was the degree of representation that the so-called 'non-operational' employers (the shipping companies that were not involved in stevedoring) were to have within the new organization.[15]

This internal tension was particularly evident between the container terminal operators and the shipping companies. The minutes of a General Meeting of the PEA in 1976 contain the following record of a comment by a representative of the container terminal operators who was present:

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[14] Minutes of PEA Management Committee Meeting 638, 19/5/76. Port Employers Association Records, 89-395, Box 205 (Alexander Turnbull Library, NLNZ).

[15] To recap, prior to containerization this type of division did not emerge because the main shipping companies (both overseas and coastal) were actively involved in stevedoring either through their own stevedoring departments or subsidiary stevedoring companies.

> Many of the shipping lines trading to New Zealand had gone over to containers and operated through container terminals where the shipowner had no say whatsoever in industrial matters. He felt that the time had come for shipowners to have no influence or control over negotiations and employment of labour on the waterfront.[16]

The container terminal operators attempted, in effect, to marginalize the role of the shipping companies within the proposed employers' organization. Indeed the Chairman of the Port Employers Association, Viv Blakeley, had commented earlier at a PEA Management Committee meeting that:

> The attitude of the container terminal operators was dictated by the feeling that in a couple of years they would be the major employers of waterfront labour and did not want their policy dictated by the present set-up on the waterfront.[17]

The 'present set-up' was one in which shipping companies, through the PEA, did have considerable involvement in industrial matters (although the container terminal operators refused to allow the PEA to control the negotiations for the composite workforce agreement which regulated the container terminals).

The Union Steam Ship Company, because its subsidiary Union Maritime Services was a major contracting stevedore, spanned the interests both of the shipping companies and those of the stevedoring companies. It vehemently opposed the attempts by the container terminal operators to marginalize the shipping companies. A representative of the company stated at the same meeting that: "it was not in the interests of the Union Steam Ship Company to accept second class status in comparison with the Container Terminal Operators."[18] Instead the

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[16] General Meeting of the PEA, 19/10/76. Port Employers Association Records, 89-395, Box 205 (Alexander Turnbull Library, NLNZ).
[17] Minutes of PEA Management Committee Meeting 646, 18/9/76. Port Employers Association Records, 89-395, Box 205 (Alexander Turnbull Library, NLNZ).
[18] Ibid.

shipping companies sought equal representation within the new organization alongside organizations involved in stevedoring, a proposal that was opposed by the container terminal operators.

These internal divisions were also evident in relation to the nature of the new organization regarding whether it should be centralized, with the authority to control the actions of its members, or a loose-knit grouping of the already existing separate organizations. The container terminal operators wanted an overarching organization which allowed its member organizations considerable autonomy. The Stevedoring Employers Association, on the other hand, sought to form a single unified and centralized organization to which its member organizations would delegate all of their dealings with the port unions and the Waterside Workers Federation.

In an attempt to resolve these divisions a 'Council of Waterfront Employers' was established in 1978. It was agreed that its members (the PEA, the Container Terminal Operators Association, the Stevedoring Employers Association, and the Harbour Boards Employers Union) would remain in existence but an overarching organization that represented these employer groupings would be created. This organization would be given responsibility for dealing with matters of industrial relations.[19]

That it took a further three years, until 1981, to form such an organization indicates the problems that the divisions between the main interests posed to achieving some measure of unity within the employers' camp. The new organization was called the New Zealand Association of Waterfront Employers (NZAWE). The organization was guided by a council that comprised two

[19] Minutes of PEA/WEU Meeting 705, 13/12/78. Port Employers Association Records, 89-395, Box 206 (Alexander Turnbull Library, NLNZ).

representatives drawn from each of the Port Employers Association (which had since been renamed the Waterfront Employers Union), the Container Terminal Operators Association, the Stevedoring Employers Association, and the Harbour Board Employers Union. At the port level, Port Industrial Committees were formed which comprised representatives of each of these groups.[20]

NZAWE dealt with the industrial affairs of the Port Employers Association, the Stevedoring Employers Association and the Container Terminal Operators Association. In negotiations for General Principal Orders the NZAWE negotiating team comprised representatives of each of these organizations. Similarly members of NZAWE conducted the negotiations for the container terminal composite workforce agreement on behalf of the Container Terminal Operators Association.[21] However the Harbour Board Employers Union occupied an uneasy position within this organization from the beginning. While it supported the formation of the new organization, the HBEU continued to handle its own industrial affairs "pending resolution of its relationship with the Association."[22] Tensions emerged between some of the harbour boards at the smaller ports and the NZAWE's Council. For example, when NZAWE sought a drastic reduction in bureau register strength numbers at the Port of Bluff in 1986, it was opposed not only by the WWF but also the Southland Harbour Board (because of potential of this move to reduce the port's trade). This harbour board's 1986 Annual Report made reference to:

> the cavalier and high-handed approach adopted by the NZAWE Head Office in respect of register strengths during the year. . . .

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[20] The actual composition of the committees varied between ports. For example, the Container Terminal Operators Association was represented only at ports where container terminals were located.

[21] In April 1983 the structure of NZAWE was altered to allow the Bulk and Homogeneous Shippers Association, the main organization representing shippers, to have two representatives on the NZAWE Council.

[22] NZAWE Annual Report (1983:4). Port Employers Association Records, 90-220, Box 62 (Alexander Turnbull Library, NLNZ).

> [T]his type of attitude is symptomatic of their insensitivity to regional ports and their aspirations. . . . We continue to question the present structure of NZAWE and believe that representation on a local port basis rather than a national basis would best serve the interests of the industry.[23]

As a result of such tensions, the relationship between the harbour boards and NZAWE was never satisfactorily resolved and the HBEU withdrew from NZAWE in June 1987.

From the point of view of NZAWE's dealings with the port unions and the WWF its strained relationship with the HBEU was relatively insignificant. This is because the harbour boards 'employed' only a very small number of watersiders alongside harbour workers, who comprised their main group of employees. What was significant, however, was the continuing fragmentation in bargaining which stemmed from the fact that NZAWE could not force individual firms to delegate to it their 'bargaining authority'. The Waterfront Industry Act 1976 had established a registration system for companies and stipulated that only registered companies could negotiate agreements with the port unions. However the Act did not make membership of a legally recognized employers' organization a prerequisite to becoming registered. In Chapter 11, I will demonstrate that NZAWE experienced difficulty in controlling the actions not only of companies that were not members of the organization, but even of some companies that were members, insofar as they continued to negotiate special agreements directly with the port unions and the WWF. These agreements had a 'rachet effect' of bidding up wages and conditions. The port unions and the Federation continued to exploit the divisions within the employers camp, as they had done before the formation of NZAWE, by using decentralized bargaining to 'split off' individual firms from the Association.

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[23] *Southland Harbour Board Annual Report* (1986:14).

Despite the formation of NZAWE, fragmentation in bargaining continued to be a 'thorn in the side' of the employers insofar as it undermined their capacity to act collectively within the realm of industrial relations. Unity amongst the employers was not achieved until the reform of the industry was mooted in the mid-1980s, which provided a 'rallying point' for the majority of employers.

(5) Conclusion

The period after containerization was characterized by increasing unity on the part of the unions, and increasing employer disunity. As I will show in the following chapters, under the legislative framework established by the Waterfront Industry Act 1976 these differing organizational capacities were reflected in the outcomes in each of the spheres of employment relations, industrial relations and work relations. The dynamic of union strength and employer weakness that these outcomes reflected persisted until the mid-1980s, when the legislative and institutional supports of the unions began to be challenged by state reformers.

SECTION FOUR

WORK, EMPLOYMENT AND INDUSTRIAL RELATIONS 1972-1986

CHAPTER 10 : EMPLOYMENT RELATIONS 1972-1986

> labour markets are organized systems of conflict among the buyers and sellers of labour. . . . [I]t is important to study historical changes in the form of labour market conflict and the processes that have operated to undermine and/or transform these negotiations. This leads to a consideration of which strategies of labour market control are most effective over time . . . . *An especially fruitful area would be to study changes in strategies of labour [market] control in light of changes in . . . technologies in concrete historical situations.*
>
> (Fligstein and Fernandez 1988:22-3, emphasis added)

(1) Introduction

This chapter will examine the effects of the major forces for change outlined in the previous chapters, principally containerization but also the Waterfront Industry Act 1976, upon employment relations. In Chapter 4, I employed a model which suggests that how labour markets are organized "is a manifestation of power relations among the . . . [key] actors in labour markets" (Fligstein et. al. 1988:22). Container technology had the potential to disrupt the (more or less) stable set of power relations which gelled in the break-bulk era; it posed a threat particularly to the port unions, which had steadily accumulated control within the labour market since 1953.

However, the effects of containerization on power relations within the labour market are not automatically predetermined by any technological 'logic'. Contrary to the claims of the Braverman-inspired labour process theorists (see Edwards 1979), unions and workers are not necessarily disempowered and managerial control does not automatically and unambiguously (re)assert itself following this process of technological change. Rather the outcomes of this process are dependent on the strategies of the collective actors within the labour market, the institutional framework they operate within, the resources they have at their

disposal, and the way that these can be mobilized to deal with the challenges posed by containerization.

That the effects of containerization upon power relations between the key actors within labour markets are contingent, both in terms of actors' strategies as well as outcomes, is amply demonstrated by cases from other countries. The diversity of strategies and outcomes is nicely illustrated by differences between ports on the West Coast of the United States, which were subject to a 'Mechanization and Modernization' agreement settled in 1961 (see Finlay 1988:50-66), and ports on the East Coast where a 'guaranteed annual income' was secured in 1966 (see DiFazio 1985). As Turnbull et al. (1992:44-5) note, these strategies and outcomes were different again in Britain and Australia, where a form of 'permanent employment' was established.

In this chapter I will demonstrate how the strategies of labour market control adopted by the key actors on the side of watersiders and of employers in New Zealand changed over time in response to the pressures exerted by containerization. Similarly, I will examine the changes to the institutional arrangements that were made when the Waterfront Industry Act 1976 was passed. I will document the effects of each of these forces for change upon power relations within, and hence upon the nature of, the labour market. In so doing, I will focus on the aspects of the labour market (or, as I have termed it, the sphere of employment relations) where the greatest changes occurred. Thus I will concentrate mostly on the setting of register limitations and will write less about recruitment and the negotiation of bureau rules.

(2) Recruitment

In this section I will examine how the changes in the industry outlined in the previous chapters - principally the new Act - affected recruitment practices. I will also identify changes both to the degree of 'openness' of the labour market and to the 'profile' of the registered workforce. But before engaging in these tasks I will briefly revisit the argument which I developed previously.

In Chapter 4, I argued that the state-regulated occupational registration system, which was secured in the wake of the 1951 dispute, disrupted the union controlled method of recruitment which had previously existed on the waterfront. Following the passage of the Waterfront Industry Act 1953 the local branches of Port Employers Association formally gained control over access to the register at each port. This legislative intervention had significant consequences for the pattern of recruitment which developed, when compared to patterns in other countries. Whereas studies of ports in Britain and America identify (at least in the break-bulk era) 'traditional' patterns of recruitment, that were based on ties of kinship within insular occupational communities, in New Zealand the informal ties associated with occupational (sub)culture and tradition at the points of entry to the labour market were dismantled and replaced by a system which gave employers the sole legal right and responsibility of controlling recruitment. The port unions exercised no formal influence over access to the register and *ipso facto* over membership of their own organization.[1]

But despite the fact that the Port Employers' Association was given complete control over who was to be registered, I demonstrated that the unions at many ports were gradually able to regain an element of informal joint control over

[1] To recap, registration automatically conferred the right to union membership (see Chapter 5).

registration during the 1950s. This increased as the port unions were rebuilt and gained in strength throughout the 1960s. Particular ties (often based on kinship) at the local level reasserted themselves as the layer of social relations, which had been disrupted by the deregistration of the unions (and watersiders) in the aftermath of the 1951 dispute, was gradually re-established within the formal procedures established by the new Act.

It will be recalled that the port union Federations fought for joint control of recruitment right from 1953. One of the primary reasons for this was because those who were registered automatically became union members. The importance attached by the Federations to gaining formal 'joint control' is indicated by the fact that they had pushed for such control (albeit unsuccessfully) when the Waterfront Industry Act was amended in 1964. As I noted in the previous chapter, the port unions only achieved formal joint control over recruitment when the new Waterfront Industry Act was passed in 1976. Under the new Act the responsibility for deciding who should be registered at each port was vested in the local Port Conciliation Committee.

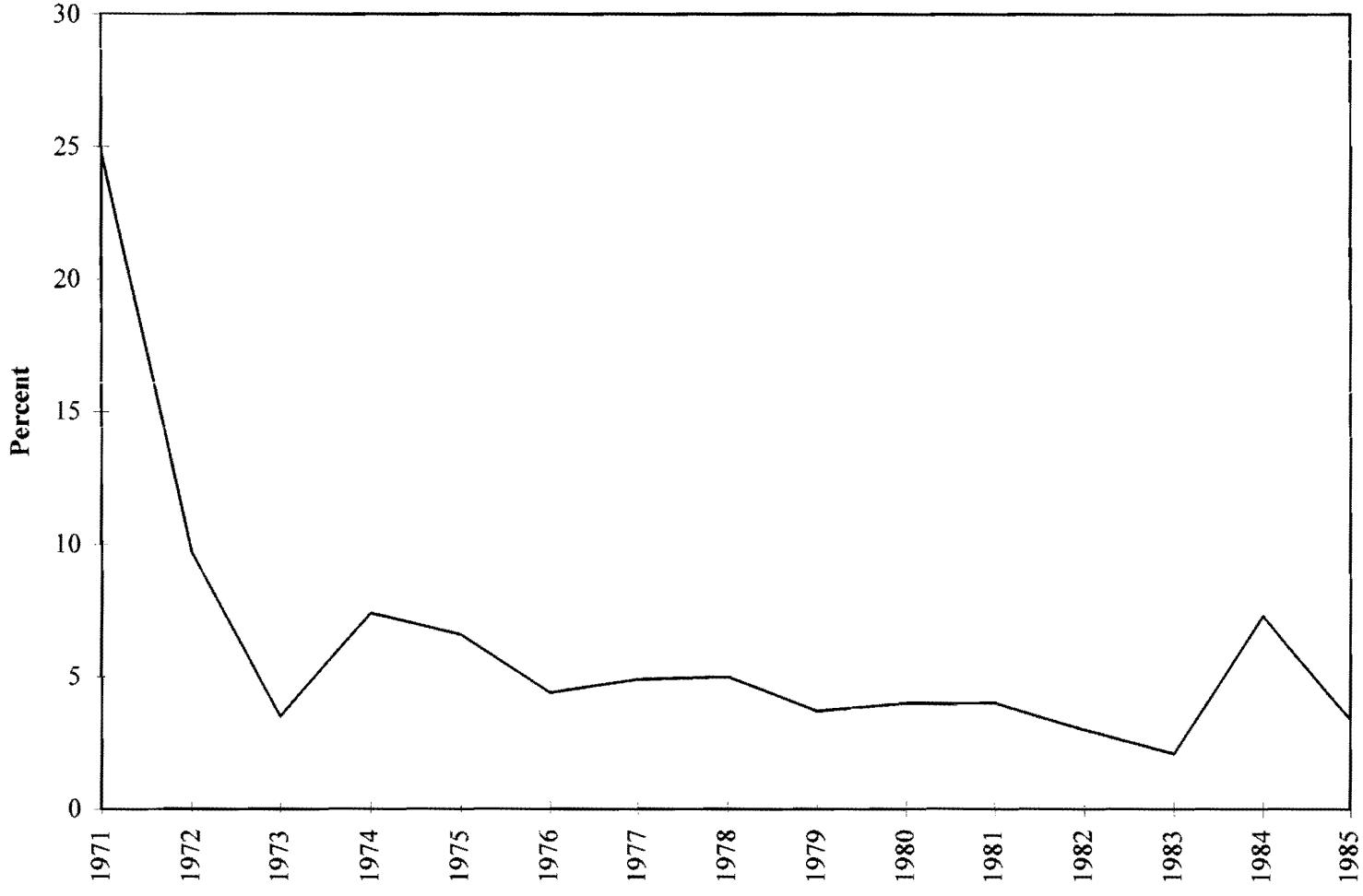
Because of the informal arrangements concerning preferential hiring that had been secured between the port unions and Port Employers' Association, this legislative change merely gave formal assent to an already existing set of practices. Furthermore, it applied only to newly recruited men and thus did not affect the bureau registers. The unions achieved joint control of recruitment precisely at the time, however, when (as I will demonstrate in the next section) recruitment slowed almost to a standstill at some ports because of the downward pressures exerted upon register strengths by containerization. Lengthy waiting lists existed at some ports even in the 1950s and 1960s, but these lists increased markedly following containerization, and recruitment practically ceased at many ports in the late 1970s.

It was in the context of static register strengths and joint control of recruitment that a furore erupted at the Port of Auckland in the mid-1980s over the use of kinship as a basis for recruitment. At this port new workers had not been recruited for almost 10 years, vacancies on the register owing to natural attrition having been largely filled by permanent transfers from other ports. However, an unusually high number of workers who retired in 1985 provided one of the few occasions in the post-container period when new recruits were sought (Roth 1993:190). A local newspaper published an editorial which was critical of a claim by the Auckland Union that, despite public advertising, an anticipated 60 new jobs on the waterfront would go to sons of registered watersiders.[2] The local Union Secretary, Dai Martin, claimed that the port employers had agreed to this figure, but the employers denied that any such agreement had been made. In any case, the Union's 1986 annual report stated that: "the union was able to have 55 members' sons included in the 63 new members even after a news media attack on this policy" (quoted in Roth 1993:191).

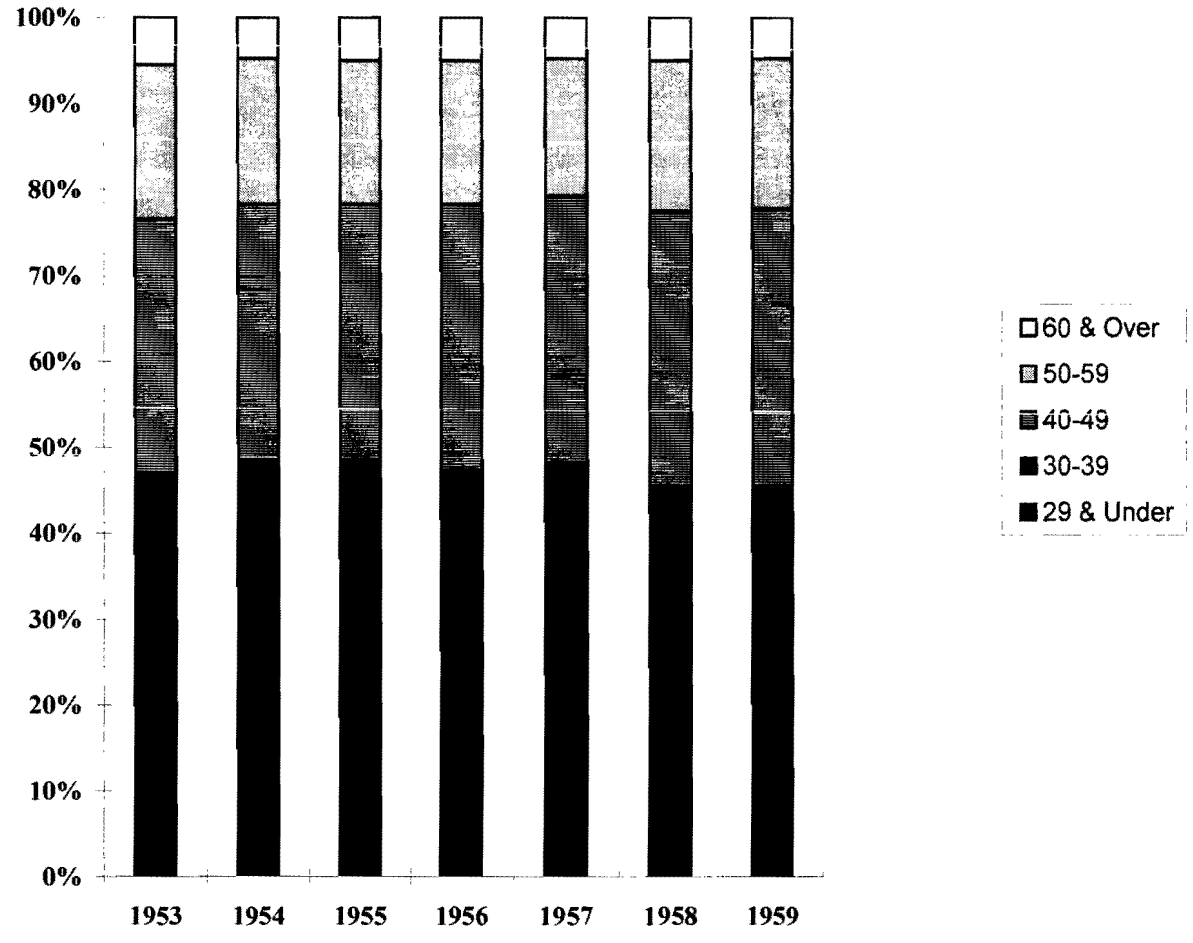
Despite the fact that the local unions had achieved a considerable degree of informal control of recruitment, some issues were still contested by the employers. For example, although some unions had achieved *informal* agreements over preference being granted to watersiders' sons prior to 1976, it is apparent that kinship-ties reasserted themselves in earnest after the unions achieved *formal* joint control of recruitment. Undoubtedly, there was at least a grain of truth to the popular belief in the 1970s and 1980s that one had to be the 'son of a watersider' in order to get a job on the wharves.

[2] *New Zealand Herald*, 14/8/85. Roth refers to the same newspaper article in his history of the Auckland Union (1993:190).

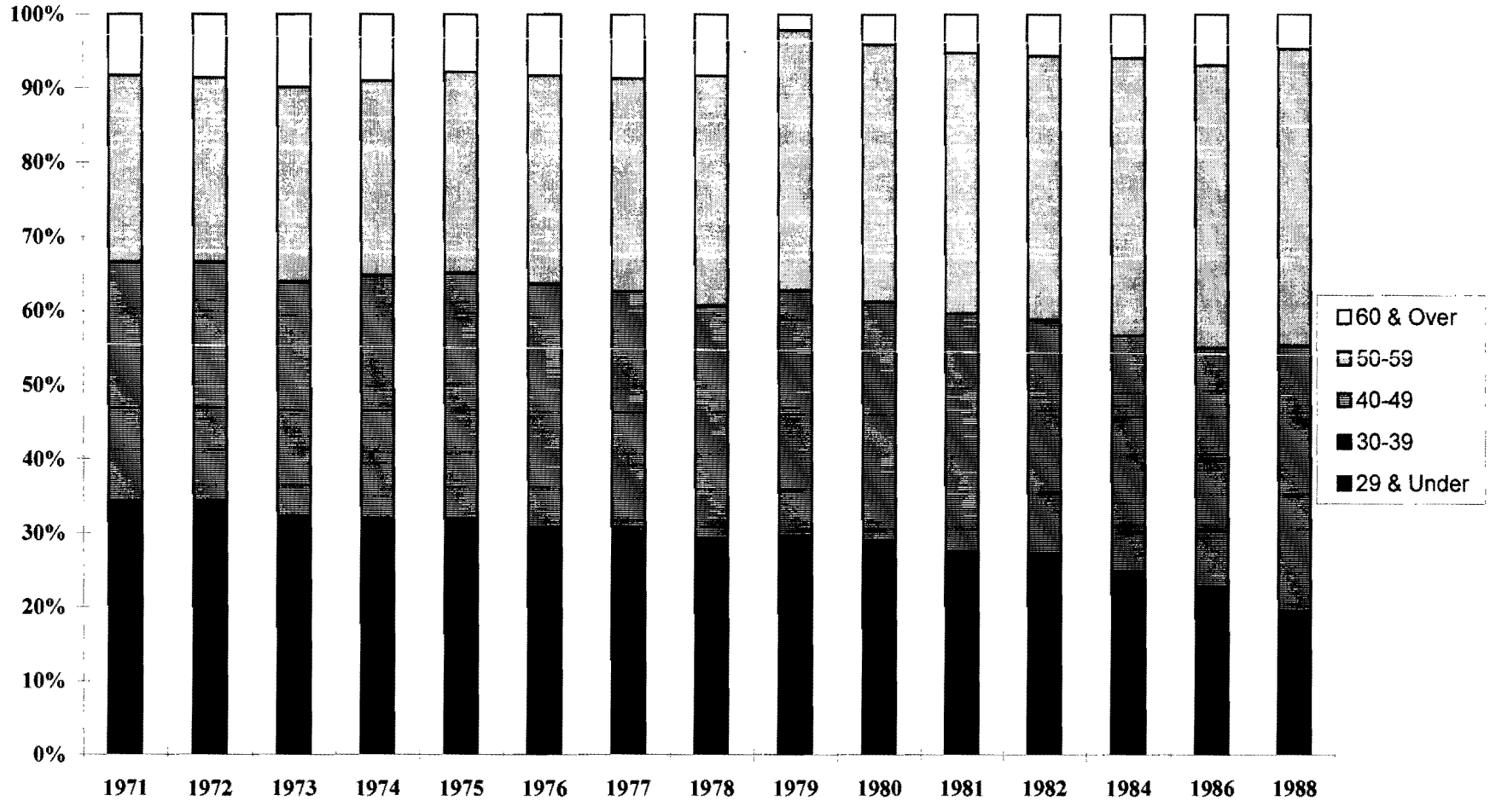
Graph 10.1 Rates of Labour Turnover (All Ports)



Graph 10.2 Demographic Profile of Registered Watersiders 1955-59



Graph 10.3 Demographic Profile of Registered Watersiders 1971-88



Containerization did not directly affect recruitment because, as I will explain in the third section of this chapter, watersiders were selected from bureau registers (from the 'internal market', that is) to work in container facilities. However, the decline in recruitment in the 1970s, at the time of containerization, was accompanied by a series of changes both to the labour market and to the registered workforce. Graph 10.1 reveals that rates of labour turnover decreased substantially in the early 1970s. This resulted in the labour market becoming more 'closed' and insular as the vacancies on the registers diminished, and those that did occur were filled by permanent transfers from other ports. In turn this marked a shift from a series of relatively open localized labour markets, to a closed national labour market within which vacancies were filled by transferring men from other ports. The greater geographical mobility of the workforce that resulted was, paradoxically, a result of decreasing employment opportunities.

The demographic profile of the workforce also changed considerably during the years under consideration. The Waterfront Industry Commission published statistics in two periods on the ages of watersiders. The contrast in the age-profile of watersiders between the two periods is stark. Graphs 10.2 and 10.3, which plot these statistics, reveal an aging workforce. There was a steady decline in the '29 and Under' and '30 to 39' age groups, and considerable growth in the '50 to 59' age group. These shifts were reflected in the average age of watersiders, which increased from 41.6 years in 1959 to 47.4 years in 1988. Indeed the Waterfront Industry Commission was prompted to remark that: "Concern has been expressed by both sides of the industry at the relatively high average age of workers at some ports" (WIC Report 1984:17).

Coupled with decreasing labour turnover rates, these demographic changes resulted in an aging, stable workforce. The insularity of the labour market increased throughout this period as less workers exited, and those who were

registered stayed longer in the industry. This development is undoubtedly linked to the economic climate generally, particularly increasing unemployment as the postwar 'long boom' ran out of steam in the early 1970s, which discouraged workers from leaving the industry. Together with changes to the terms of employment, these conditions made work on the waterfront an even more attractive proposition than it had been in the 1950s and 1960s (because of high wages relative to other blue collar occupations, and flexible work patterns). As the furore at Auckland in 1985 illustrates, jobs on the waterfront were vigorously sought after, to the point where the issue of recruitment was forced onto the *public* agenda.

The increased insularity of the labour market contradicts the purported effects of containerization which commentators in the labour process tradition identify. Mills (1979), for instance, argues that containerization saps occupational communities and disrupts the integrity and insularity of labour markets. In ports in New Zealand, however, the labour market became increasingly insular during this period both as downward pressures on register strengths mounted and the Waterside Workers Federation achieved greater control of the (albeit diminishing) labour supply. While the increasing 'insularity' of the labour market does not suggest anything about the degree of 'communality' amongst watersiders within the labour market, the record of port unions throughout this period, in terms of collective action, tends to indicate a considerable degree of social solidarity. In any case, the more general point, and one which I will subsequently pursue at greater length, is that the effects of containerization are mediated by the way that unions effect strategies of labour market closure, rather than being automatically prefigured in a mechanical or deterministic fashion by a technological 'logic' at the level of the labour process.

To recap, because the port unions regained a considerable degree of informal control over recruitment prior to the Waterfront Industry Act 1976, there was a certain degree of continuity with the preceding period in recruitment practices. The most dramatic change in recruitment practices, in the period that this thesis examines, occurred with the shift to direct employment in 1989. As in the aftermath of the 1951 dispute, employers used their newly acquired control of recruitment - this time at the company level - to exclude watersiders who were active unionists. The emergence in the post-reform period of this type of discriminatory preferential hiring practice will be examined in more detail in Chapter 13.

(3) Register Strengths

(3.1) Shifts in Union and Employer Strategies

In Chapter 4, I demonstrated that the occupational registration system took the labour supply out of competition, and that this had the effect of decentering firms, which had to 'externalize' their decisions over the supply of labour to the Port Employers' Association. Prior to 1976 register strengths were jointly negotiated by the local unions and branches of the Port Employers' Association through the medium of the Port Conciliation Committees. Decisions over the labour supply were therefore made in a joint manner, at the level of the port, rather than the firm.

The actual size of the bureau register at each port was a product of the respective interests of, and pressures on, the unions and the PEA. In Chapter 4, I identified the prosperous economic and replete labour market conditions that formed the backdrop to the negotiations between unions and employers over register limitations. The proximate conditions, on the other hand, were the immediate pressures upon the collective actors. These latter conditions entailed a series of trade-offs. Because watersiders received only guaranteed wages if no work was

available, the port unions had to attempt to equilibrate the size of the register with the amount of 'work opportunity'. In short, this involved trading off numbers of registered watersiders (and thus union members) against wage levels. The employers, on the other hand, sought to balance labour requirements at ports - allowing for seasonal fluctuations - against the cost of guaranteed wages paid to watersiders when no work was available. In short, they attempted to balance labour shortages against guaranteed wage payments.

As a supplement to the registered workforce, casual labour was a decisive variable during this period. In effect, casual workers provided a buffer which meant that a vast permanent oversupply of labour did not have to be on hand at each port. This was in the interests both of the unions and the employers. Casual labour provided flexibility both for employers (in covering labour shortages) and for watersiders (by allowing them to take days off as desired, and because the registers did not have to be 'padded' by employers to the same extent in order to cover seasonal fluctuations - which would have decreased watersiders' average earnings). But despite the use of 'seagulls' (as the casual workers were known), absolute labour shortages still occurred at some ports during this period.

However, from the late 1960s onwards, considerable changes occurred in both the mediate and proximate conditions which circumscribed the broad limits that bureau register limitations were set within. Changes in these influences, in turn, resulted in shifts in the strategies of unions and employers in relation to the setting of bureau register limitations. As we shall subsequently see, these new strategic considerations impacted decisively upon the level of bureau registers in the 1970s and 1980s.

The most important change in the proximate conditions was that in the early 1970s New Zealand's postwar 'long boom' ended (see Roper 1993:4-5). Levels of trade

declined which was reflected in declining levels of shipping activity at most ports. Similarly, the absolute labour shortages which previously occurred, not only on the waterfront but in industries generally, ceased as structural unemployment emerged once again (see Gould 1985; Rosenberg 1986).

Most importantly, however, for the shifts in the strategies of unions and employers regarding the setting of register limitations were a series of changes to proximate conditions. Coupled with the decreases in manpower requirements which resulted from declining levels of trade, containerization led to considerable downward pressures on register strengths. The effect of containerization was felt both directly, at the ports where containers were used, and indirectly in leading to the decline in levels of shipping to smaller ports, some of which were forced to close (see Bush 1980:103-4).[3] Because of what Rubery (1994:14), writing in another context, refers to as "the influence of the external labour market on the internal [labour market]", employers had access to a ready supply of casual labour as absolute labour shortages ceased.

In the context of these conditions, the Port Employers' Association sought to reduce the number of registered watersiders at almost all ports. But they could not do so unilaterally because of the unions having joint control of register strengths. Indeed the situation was very similar to the one in Britain, which Turnbull and Wass (1994:5) succinctly summarize, where dockers':

> employment was protected both by the terms of the NDLS, which gave the unions joint control (and therefore an effective veto) over any decision to reduce the size of the dockers' register, and by an agreement dating from 1972 which eschewed the use of compulsory redundancies, even in the event of company closures (this was the source of the dockers' infamous 'job-for-life').

[3] As Bush notes, "By the end of 1978 all trade with North America and 80% of general and refrigerated cargo to the United Kingdom and Western Europe was containerized" (1980:103).

Because New Zealand's port unions, like their British counterparts, had 'joint control' over bureau register limitations, any reduction in the numbers of registered watersiders had to be negotiated and agreed to. Short of abolishing the occupational registration system (which was suggested by employers during the Waterfront Conference but was not acted upon by the Government), the Port Employers Association had to arrive at a negotiated settlement. As in Britain, an agreement was subsequently reached in 1973 that redundancies were to be voluntary.[4]

In this context there was a decisive shift in union strategy. Aware of the declining levels of work opportunity, and the possibility of redundancies, decisions were made by union officials at both the national level and the port level to keep register strengths up. Whereas there were numerous instances in the preceding period when unions actually sought to keep register strengths down (in order to keep the earnings of the rank and file up), and allowing casuals, from the late 1960s onwards there was a shift in strategy (and policy) towards inflating the registers. This resulted in a strategy that could be termed 'labour hoarding', which in turn was linked to an attempt to restrict the use of casual labour.

This shift appears to have occurred in the late 1960s. The earliest evidence I can find of it are comments made at the North Island Federation's Conference in 1966. The issue of redundancy as a result of technological change was broached at this conference, which led to a discussion of register strengths. Ron Wasley, a Lyttelton Union committee member, stated that:

[4] Although New Zealand did not ratify ILO Convention 137 regarding containerization, because of these institutional arrangements effectively it was observed by default.

> Our register is now higher than before. Our aim should . . . be to keep registers up and so help to keep non-registered watersiders out.[5]

Federation General Secretary Napier replied:

> Some port registers will stand an increase but we don't suggest that we should increase the numbers to the embarrassment of those already on the register.[6]

The comment about 'embarrassment' undoubtedly reflects the tension between squeezing out casuals by increasing numbers of registered watersiders, and maintaining the wage levels of the latter. This tension was eased somewhat in 1970 when 'permanency' (a forty hour paid week, that is) was achieved.

A WWF Executive meeting resolved in 1969 to make a further approach to the employers, through the medium of the Waterfront Conference, on a number of issues including the "elimination of non-unionists" (casual workers, that is).[7] The latter was one of the several conditions that a WWF Special Council wanted accepted by the employers. However, this move was not without some opposition from within the port unions. As I have argued, casual labour was used on the waterfront not just because of 'employer preference' because it also had advantages for registered watersiders. Watersiders tolerated casual labour because it enabled them to keep register numbers down and wage levels up, to the point where at some ports they were at odds with their union officials, who opposed large numbers of casual workers (see Chapter 4). But it was not just a matter of wage levels. Casual workers also provided flexibility for watersiders in relation to

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[5] Minutes of North Island Waterfront Workers Industrial Association Conference, 14/11/66. New Zealand Waterfront Workers Union Records, 92-305, Box 4/1 (Alexander Turnbull Library, NLNZ).
[6] Ibid.
[7] Minutes of Waterside Workers Federation Executive Meeting, 29/9/69. New Zealand Waterfront Workers Union Records, 92-305, Box 12/6 (Alexander Turnbull Library, NLNZ).

when they worked, enabling them to take days off (as was allowed for under bureau rules) and holidays during busy periods.

Once again, I must emphasize that casual labour provided flexibility for *labour*, but only because the occupational registration system gave watersiders job security. The nature of this flexibility was clearly evident in comments made by a delegate at a WWF Conference specially convened in April 1970 to discuss the proposals for a new GPO which had emerged from the Waterfront Conference. As I noted above, one of the conditions that the WWF sought was the abolition of casual labour. On this matter, one of the representatives of the Auckland Union, J. O'Brian, expressed his dissatisfaction with the total elimination of casual labour precisely because of the 'flexibility' it allowed in the busy season:

> At Christmas time over 700 men were on holiday, 160 on leave and compo. I want to take holidays when I want them.[8]

Nonetheless, the emerging consensus on the part of the Federation's officials and within the port unions was that casual labour should be abolished. That there was a definite swing on the part of watersiders in their attitude towards casual workers is indicated by increasing numbers of disputes at the port level over the use of 'seagulls'.[9]

(3.2) Restricting Casual Labour

An important part of the unions' strategy of abolishing casual labour was the seeking of increases in register strengths in order to 'squeeze out' casuals. At the

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[8] Minutes of Waterside Workers Federation Special Conference, 21/4/70. Zealand Waterfront Workers Union Records, 92-305, Box 13/4 (Alexander Turnbull Library, NLNZ).

[9] For example, in October 1971 members of the Napier Union refused to work supplementary hours if casuals were employed for day-work. An employers' representative commented that: "the local union have been adamant that they do not wish to have any non-union labour employed." Minutes of PEA Management Committee Meeting 527, 20/10/71. Port Employers Association Records, 89-395, Box 205 (Alexander Turnbull Library, NLNZ).

special WWF conference in 1970 Chairman Wasley stated that "it is not intended that register strengths be over inflated. The eventual elimination of outside labour is a prime objective."[10] And at the second biennial conference of the WWF in 1970, General Secretary Napier expressed in precise terms this view, which was to become the policy of the Federation:

> With the changing methods of work generally and the introduction of cellular containerization in the not too distant future . . . steps have been taken to protect our position. . . . Limitation of the use of non-registered labour with the objective of total elimination and voluntary employer financed transfer between ports requiring increases in bureau registers.[11]

The first major step in the elimination of casual labour, which Napier alluded to in the comment above, occurred as a result of negotiations through the Waterfront Conference. As I noted in Chapter 7, the agreement which was encoded in GPO 305 involved a series of trade-offs by employers against the introduction of supplementary hours (a modified form of second shift). The employers (particularly the Overseas Shipowners) had been wanting shiftwork to be introduced for a number of years in order to extend the hours of work to facilitate improved ship turnaround times. A former Port Employers' Association Branch Secretary commented:

> the permanent forty hour week . . . [was] one of the things we gave away so we could work supplementary hours. The union wouldn't call it 'shift work', that was a dirty word. So we called it supplementary hours of work. And we had to give an awful lot away to get them. . . . Mind you, it was worth it. . . . We used to work to 9 o'clock at night or even 10 o'clock to finish a ship. (Interview)

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[10] Ibid.

[11] Minutes of Waterside Workers Federation Conference, 23/11/70. Zealand Waterfront Workers Union Records, 92-305, Box 14/1 (Alexander Turnbull Library, NLNZ).

Ted Thompson, who was then a WWF executive member, described supplementary hours as "a major employer gain."[12]

One of the reasons why the Federation agreed to the provision in GPO 305 regarding the working of supplementary hours, even though it was opposed at the local level and was central to the considerable opposition sparked by the Wellington and Auckland unions to the new Order, was that it provided a way of maintaining register strengths. At the WWF conference in 1972 General Secretary Napier, in what was to be his last report, defended the introduction of supplementary hours in the following terms:

> Shortening the hours of work for the individual and the use of the maximum number of men, either by supplementary hours or negotiated shift work, is one way in which retention of men on the Bureau Registers of Port Unions can be materially assisted. While not a complete answer to the introduction of modernization with possible redundancy problems, it undoubtedly provides for the retention of a far greater number of men, working under better conditions of employment, than using less men for longer hours.[13]

But register strengths could be sustained in this manner only if the unions could restrict the employers' ability to utilize casual labour as a supplement to the registered workforce. As well as 40 hours per week pay to all registered watersiders irrespective of whether work was available (so-called 'permanent conditions of employment'), part of the *quid pro quo* for the introduction of supplementary hours was an agreement to restrict the use of casual labour. With respect to the comment by the employers' representative, cited above, this was one of the things that was 'given away'.

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[12] Personal communication, 1/8/94.

[13] Minutes of Waterside Workers Federation Conference, 16/10/72. Zealand Waterfront Workers Union Records, 92-305, Box 14/2 (Alexander Turnbull Library, NLNZ).

The restriction on the use of casual labour was included in the proposals that emerged from the Waterfront Conference, and it subsequently became a part of GPO 305. As in all Orders since GPO 24 was settled in 1953, GPO 305 contained a clause which granted registered waterside workers preference at each port and allowed for non-registered workers to be used when registered workers were not available. However the clause had had appended to it a note which further restricted the extent to which casual labour could be used. The note stated that:

> It is the objective of the parties to work together at each port to reduce to the fullest extent possible and to eventually eliminate as far as is practicable, the need to go outside the registered labour force to meet the requirements for waterside work.[14]

In order to achieve this reduction, it was further stipulated that registered workers had to accommodate these changes during the busy season (which was the source of criticism from the watersider quoted above, regarding holidays):

> To lessen the impact of seasonal peak requirements in the industry, registered waterside workers will be expected to make themselves available for work to the fullest extent required in accordance with the terms of the Order and to accept reasonable staggering of their annual holidays to avoid large numbers of men being absent from work during peak and seasonal demands for labour.[15]

However, the crux of the agreement was a stipulation relating to the establishment of *subsidiary registers*. On the one hand, it was stated that "the industry would suffer by the total elimination of the employment of other than full-time members of the Bureau Registers", as situations would arise when there were insufficient registered watersiders available, but to deal with these situations "in a manner more acceptable to the regular waterside workers", it was agreed that subsidiary registers could be established by the local Port Conciliation Committee at ports

[14] GPO 305, Clause 39, Note 1.
[15] GPO 305, Clause 39, Note 3.

where they were required.[16] The subsidiary registers were to be comprised of registered watersiders who had retired and "other approved workers". This agreement supplemented the 1953 (and later the 1976) Waterfront Industry Act which had created a bureau register at each port.

Changes at this time in the labour market strategies of the key actors were registered in some of the interviews that I conducted. A former Waterfront Industry Commission Branch Manager, who had over 35 years experience at three different ports, recalled a definite change in the early 1970s in the unions' attitudes towards register strengths:

> When I first started they wanted to keep it [the register] down. But once they had permanency this changed. . . . You'd get the wharfies wanting to increase the register. . . . When they brought in permanency it got rid of casuals. That put the upsurge on the strengths. We used to take up that flow by using casuals. . . . That put pressure on, including shipowners wanting more men at times too, because their ships are lying idle and its costing them a fortune. Particularly when its the height of the export season when all the ports are busy. (Interview)

Similarly, the former Secretary of the PEA at Lyttelton recalled how, in the early 1970s, the employers at this port were increasingly subject to pressure from the local union to increase register strengths:

> It was worth the world to keep it right up, you see, because then when men left they were paid redundancy money. . . . After that it was their principle to keep the register way up. Because we would normally have natural attrition, men leave, and it would fall down. And then the Union would say 'oh no, we'll put it back up to where it was', and we'd say 'there's no reason to do it'. And that's when the argument came because the only reason they wanted it to go back up was because every time a man left he got redundancy. (Interview)

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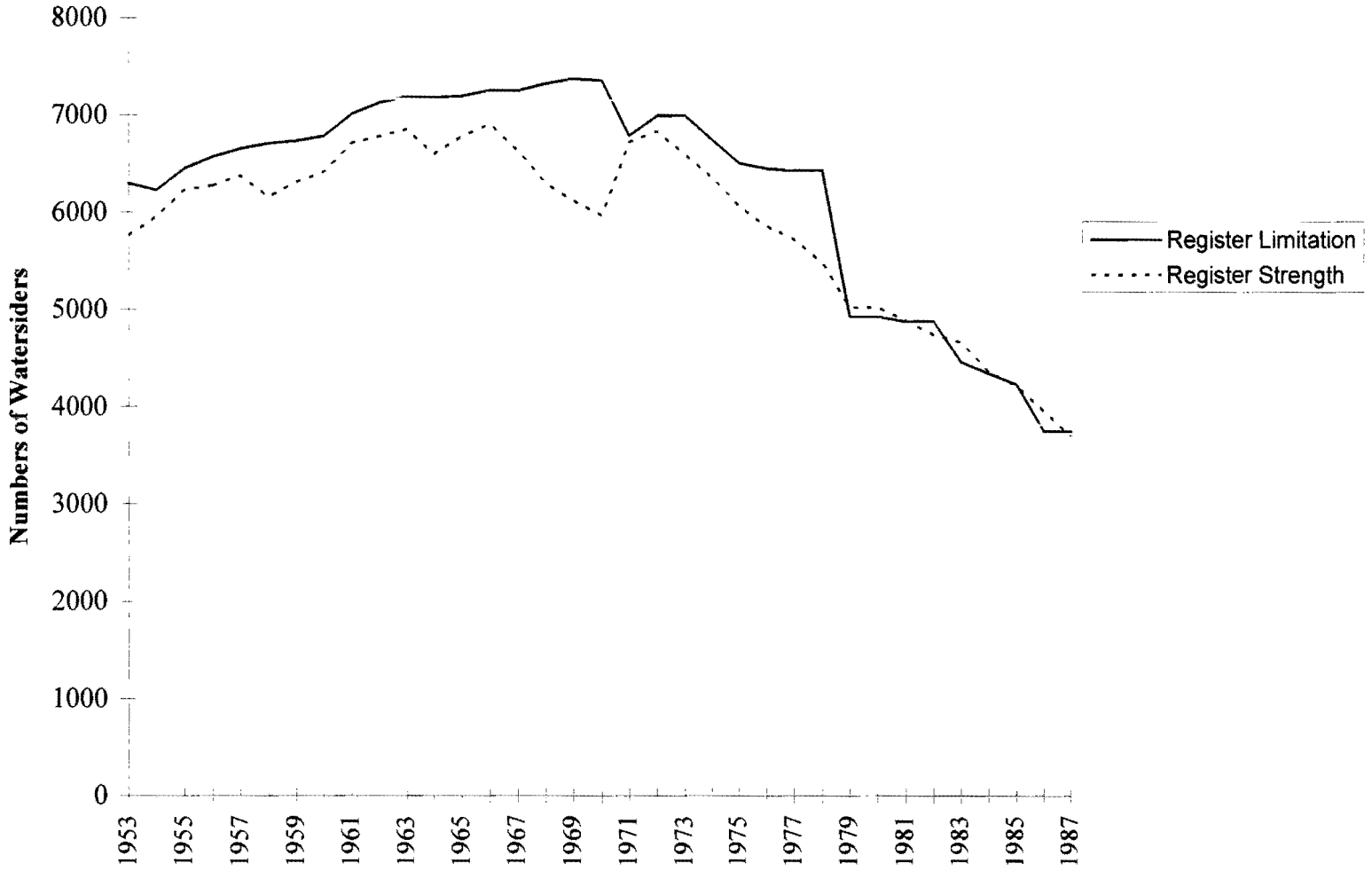
[16] GPO 305, Clause 39, Note 4.

The two quotations capture different elements in the equation: although casuals were not (as the former quotation implies) eliminated altogether when 'permanent employment' was first introduced in 1970, this latter did somewhat ease the pressure that the size of the register exerted upon watersiders' wage levels, which meant that unions could work to build register strengths up, while at the same time working to 'squeeze out' the remaining casuals. Redundancy agreements were then negotiated on the basis of replete registers.

Once again, I must stress that achieving 'permanent conditions of employment' at 12 of the country's ports eased the pressure on the unions, regarding balancing numbers of workers against the amount of 'work opportunity' that was available at each port, and thus against wage levels. To recap, 'permanent employment' did not mean that watersiders were directly employed by stevedoring companies, nor even that they were allocated on a long-term basis to these companies, but rather that they were paid the equivalent of 40 hours per week irrespective of whether work was available. To be sure, this did not mean that watersiders *qua* individuals had a complete disincentive to be allocated to work, for basic wages were not the only component in wages; also included were bonus payments (which were pooled and shared out on the basis of time worked), rates negotiated on the job, and so forth. However, the 40 hour week payment comprised a greater proportion of total wages paid than guaranteed wages did in the previous period.[17] This meant that the unions did not, to the same extent, have to balance the size of bureau registers against the amount of 'work opportunity' that was available at each port. In turn, this provided the port unions with the opportunity to seek substantial increases in register strengths.

[17] Because no statistics on wage levels were published by the Waterfront Industry Commission during the 1970s, in making this claim I am relying on information obtained from interviews I conducted with watersiders. The following comment by a watersider is typical: "When we changed to Order 305 the wages jumped up, because the hours changed. And it was part of the scheme that they'd built in everything."

Graph 10.4 Bureau Register Limitations and Register Strengths 1953-87



Bureau registers were systematically renegotiated in 1971. Graph 10.4 demonstrates that a disparity between bureau register limitations and the actual register strengths had developed in the few years prior to this time. As one of the Commission's reports notes, "The large differences between the agreed limitation and the actual strength of the bureau register has developed since 1966. This is because of an agreement not to revise bureau limitations during the Waterfront Conference" (WIC Report 1969:12). In 1971, after the Conference was brought to a conclusion, register limitations were decreased by 566 positions but the actual register strengths were *increased* considerably - more men were taken on to offset the working of supplementary hours, coupled with the restriction on casual labour. At the 1970 WWF Conference, General Secretary Napier announced that: "agreements have been reached in several ports to further increase their membership substantially to replace the previous use of non-registered labour."[18] The 1971 WIC Report stated: "To compensate in some measure for the limited use of non-registered labour, the bureau strength was increased by 756 men from 5965 at 30 September 1970 to 6721 at 30 September 1971" (WIC Report 1971:4)[19] As Graph 10.4 shows, this increase brought the register strengths back into line with register limitations (given the 5% tolerance which existed).

In line with the agreement embodied in GPO 305, subsidiary registers were created in late 1970 and 1971 at a number of ports which had "permanent conditions of employment" (WIC Report 1971:12). This agreement was implemented at the port level by negotiations between unions and the local branches of the PEA through the medium of the Port Conciliation Committees. For instance, the bureau rules at the Port of Taranaki in 1971 contained a clause

[18] Minutes of Waterside Workers Federation Conference, 23/11/70. New Zealand Waterfront Workers Union Records, 92-305, Box 14/1 (Alexander Turnbull Library, NLNZ).

[19] In 1980, while reflecting back on the outcomes of the Waterfront Conference, WWF General Secretary Ted Thompson commented that: "In 1969 our strength was 5900 and in 1971 it was 6800. We rode a winner and secured jobs." Minutes of Waterside Workers Federation Conference, 20/10/80. New Zealand Waterfront Workers Union Records, 92-305, Box 14/6 (Alexander Turnbull Library, NLNZ).

specifically relating to the use of non-registered labour which stated that the proportion of such labour drawn at any one time from the subsidiary register was limited to 10% of the bureau register strength.[20] A similar agreement was incorporated within bureau rules which were ratified at a Port Conciliation Committee meeting at the Port of Timaru in November 1970.[21] While the subsidiary register at the Port of Auckland had a total of 245 workers on it, outside of holiday periods, the number of workers from the register who were allowed to work each day was limited to those required to fill vacancies caused by registered men being off work. Similarly, at Lyttelton there was a subsidiary register of 50, of which 35 could work on a daily basis.[22]

These examples appear to be typical and it seems that, in practice, finite restrictions on the use of casual labour from subsidiary registers was common. Furthermore, at some ports the subsidiary register was prioritized: the former Secretary of the Port Employers' Association branch at Lyttelton recalled that "we had a limited number of 35. Well my son was number one and the President of the Waterfront Workers Union's son was number two on this list" (interview).

Thus the port unions (by agreement with the employers) established their own registers, to complement the registers established by the Waterfront Industry Act 1953. Consequently, at most ports during the 1970s there was not one register, but two: a bureau register and a (union-sponsored) subsidiary register. The unions used the subsidiary registers as a 'tool' to control the labour supply. This type of register provided the unions with a way of 'sealing' the labour market, which was cross-cut by seasonal work, on a national basis.

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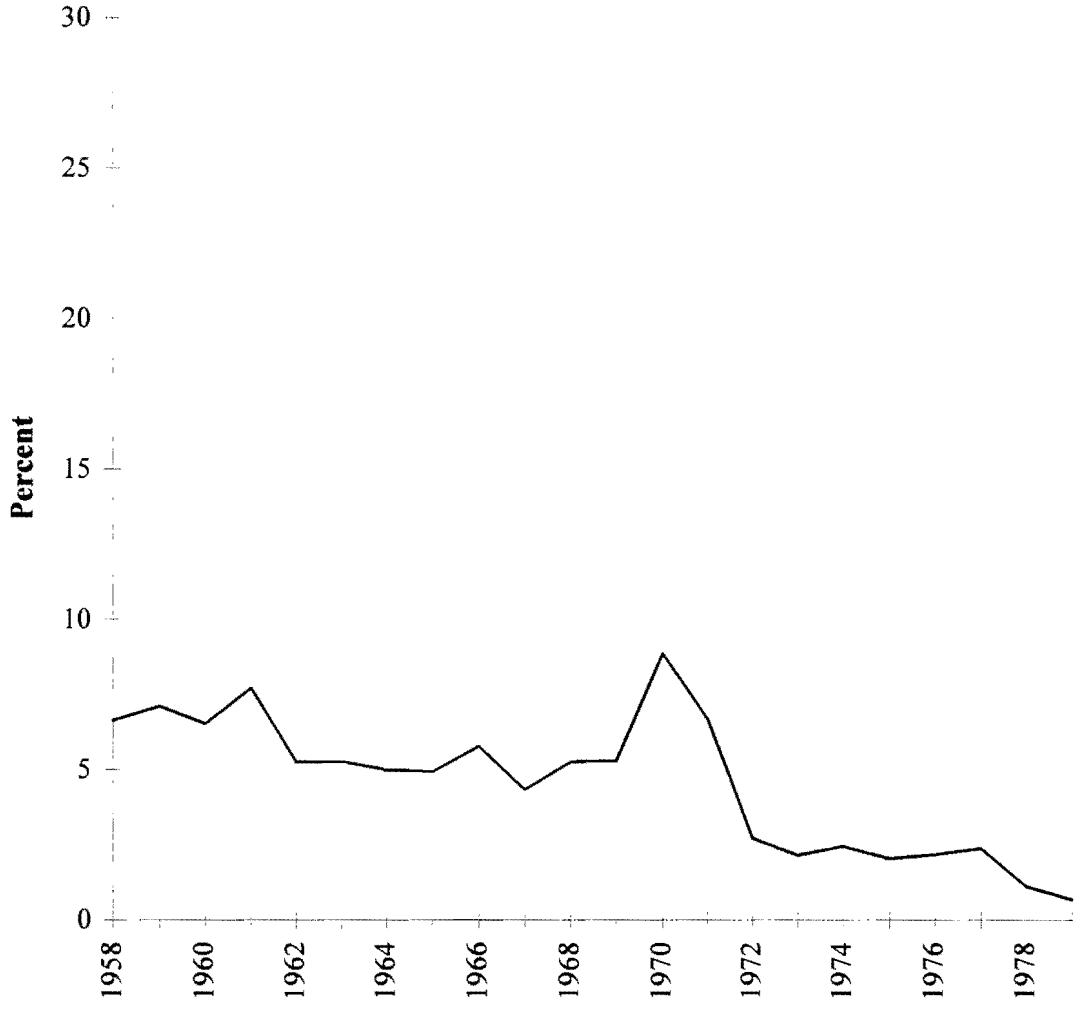
[20] Waterfront Industry Commission Records, W3472, Box 49, 5/473 (National Archives).
[21] Ibid.
[22] PEA Annual Report, 31/3/74. Port Employers Association Records, 89-395, Box 130 (Alexander Turnbull Library, NLNZ).

Graph 10.5 Wages & Allowances of Non-Registered Watersiders as % of Total Wages & Allowances 1958-79



Although actual estimates of numbers of casual workers were not published by the Waterfront Industry Commission after 1959, the percentage of wages and allowances paid to non-registered (i.e. casual) workers can be used as an index of the actual number of casual workers on the waterfront. From Graph 10.5, which plots these figures, it can be seen that the numbers of casual workers declined sharply in 1971-72.

Although initially there was some resistance from watersiders at the local level towards moves to restrict casual labour (recall the statement, cited earlier, by the watersider who wanted his holidays during the busy period), pressure began to increase from the rank and file to limit the use of casual labour. In 1972 a dispute occurred over the use of non-registered workers at Bluff, which was caused by watersiders not accepting that casual workers could work on days when watersiders were off work after having worked protracted supplementary hours.[23] And at a WWF executive meeting in 1972 one of the executive members argued that the Federation should attempt to "drop all non-unionists."[24] Union delegates at the WWF conference in 1976 expressed the same sentiment. P. Belton of the Nelson Union remarked that "Nelson had tried to do away with non-union labour years ago", while P. Leneghan of the Auckland Union maintained that "there should not be any non-unionists."[25]

As Graph 10.5 demonstrates, casual labour was gradually 'squeezed out' by the unions during the 1970s. How, then, did the employers deal with their fluctuating labour requirements? Principally in two ways: To some extent they were forced to incorporate provision for seasonal fluctuations into register numbers. For

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[23] Minutes of WWF Executive Meeting, 5/7/72. New Zealand Waterfront Workers Union Records, 92-305, Box 12/7 (Alexander Turnbull Library, NLNZ).
[24] Ibid.
[25] Minutes of Waterside Workers Federation Conference, 18/10/76. New Zealand Waterfront Workers Union Records, 92-305, Box 14/6 (Alexander Turnbull Library, NLNZ).

example, in a letter sent to the PEA General Secretary in 1974, the Timaru PEA Branch Secretary wrote:

> As there seems little likelihood of ever returning to the previous situation where we had available and were able to employ a large number of non-Unionists we have no alternative but to maintain the Register at a strength sufficient to cope with the seasonal requirements.[26]

However, this was extremely costly under 'permanent conditions of employment' because the numbers of watersiders could not then be reduced after the busy period had ended, and their wages had to be funded out of the National Administration Fund levy. This caused particular problems at the major fruit exporting ports of Nelson and Napier. It was at these ports that the system of temporary interport labour transfers was first introduced. This system was actually suggested by the Waterside Workers' Federation General Secretary, Ted Thompson. He vividly recalls how temporary interport transfers came about:

> there arose a situation in the 1970s where surpluses of labour existed at Port Chalmers and acute shortages were occurring at fruit loading ports. . . . During an interport first aid competition being held at Wellington the then Secretary of the Port Chalmers Watersiders Union raised the matter with myself and Mr Arthur Bockett, the Chairman and General Manager of the Waterfront Industry Commission, in an informal way. I developed this more fully shortly thereafter and the Commission did a quick assessment of projected costs and anticipated savings and we quickly got the matter under way.[27]

There had been a similar arrangement during World War Two which served as a precedent, and interport transfer clauses remained in the Supplementary Principal Orders at some ports after the war ended. But, as Ted pointed out, these clauses were "really a carry over from earlier days, used during the war years, and separate

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[26] Letter from S. Thomas to V. Blakeley, 4/1/73. Port Employers Association Records, 89-395, Box 130 (Alexander Turnbull Library, NLNZ).
[27] Personal Communication, 4/9/94.

and distinct from the large scale arrangements made for the busy periods at export ports in the 1970s".[28]

The Port Employers Association agreed to this arrangement because, given the restriction on casual labour, it was cheaper than seeking new additions to the register. And, insofar as it was funded collectively, it cost *individual* employers considerably less than labour shortages would have. This system was gradually extended to other ports during the 1970s. The former Commission Branch Manager at Lyttelton, where men were frequently transferred to from Timaru and Port Chalmers, stated in an interview that:

> It wasn't as expensive as you'd think. The shipowners didn't make the agreement for nothing. The men down there were getting paid to do nothing. And they've got a ship laying idle which is costing them thousands a day and not a bloody ton of cargo going on or off. But we'd fly those guys up and put them up in a good hotel, and then they got so much a day out of living expenses, and then we picked up the tab for their board. (Interview)

Ted recalls that there was "a degree of resentment from shipowners who did not directly benefit but who were obliged to contribute to the levy charges."[29] However, as one the Commission's annual reports noted:

> While interport transfers do involve payments through the commission's National Administration Fund by way of travelling and accommodation expenses they are of some value to all sections of the waterfront industry in cushioning the effects of reduced availability of work at the workers' home port and reducing the effects of short-term seasonal peaks which would be prohibitively expensive to meet by permanent additions to the register (WIC Report 1974:13).

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[28] Ibid.
[29] Ibid.

Under this arrangement watersiders volunteered for transfer and were selected by the local bureau. Transfers were usually for one week, travelling and accommodation expenses were paid for by the Commission, and the watersiders in question also received a transfer allowance. As far as I am aware, this system of shuttling workers between ports was unique to New Zealand, and testified to the success of the Waterside Workers Federation in restricting casual labour. This system increased in importance at ports throughout the country as the port unions gradually squeezed casual labour out of the industry.[30] In 1980, WWF President Ray Fergus commented that: "The improvement and vastly expanded use of . . . [temporary] transfers has of course gone hand in hand with the abolition of non-union [labour]."[31]

(3.3) Redundancy Agreements

At the same time as casuals were initially restricted, pressure was mounting for some form of redundancy agreement. The Commission stated in its annual report for 1972 that:

> The increasing tonnages of cargo handled by the Government Railways inter-island ferries, the Union Steam Ship Co. coastal and trans-Tasman roll-on / roll-off ships, and the introduction of cellular container ships in the overseas trade has caused a redundancy problem at a number of New Zealand ports. (WIC Report 1972:3)

When a new GPO 347 was negotiated in April 1973, "it was agreed that negotiations on redundancy would commence as soon as practicable" (ibid:4).[32]

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[30] By 1981, "each of the country's 18 ports transferred men to other ports, while 16 of the ports required assistance and 16 ports were at times both a donor and recipient port" (WIC Report 1981:14).

[31] Minutes of Waterside Workers Federation Conference, 20/10/80. New Zealand Waterfront Workers Union Records, 92-305, Box 14/6 (Alexander Turnbull Library, NLNZ).

[32] Appendix 4, clause 1, of GPO 347 states: "That to avoid delaying the implementation of the other provisions of this General Principal Order negotiations will be commenced as soon as practicable with a view to establishing a formula as to terms and conditions under which men will leave the industry where at any port the number of men on the Bureau Register is surplus to continuing requirements."

A redundancy agreement was reached between the Port Employers' Association and Waterside Workers' Federation in June 1973. This agreement was subsequently confirmed by the Waterfront Industry Tribunal.[33] Except at some of the smaller ports, where it was agreed between the PEA and the WWF that the register be discontinued, under this agreement all redundancies were to be voluntary. Indeed, General Secretary Ted Thompson remarked to a WWF conference that:

> this organization has one of the best redundancy provisions in a national agreement in this country, when we wish to utilize it. And we are the only industrial organization that has been able, at least to date, to determine when such should apply.[34]

Redundancies were negotiated on a port-by-port basis (although, as we shall see, the employers subsequently attempted to have the related issue of register strengths considered on a national basis). Typically, representatives of the WWF and the PEA, with involvement of their local branches at the port in question, would negotiate over the numbers by which the local bureau register was to be reduced, together with the "maximum number of waterside workers in each classification and/or age group that should be permitted to cancel their registration."[35] Also there was a provision that watersiders at ports where the register was discontinued could, by agreement, permanently transfer to other ports. The parties then applied to the Waterfront Industry Tribunal for a 'Declaration of Redundancy'. As GPO 357 stated:

> Immediately after the making of a declaration of redundancy, the New Zealand Waterside Workers' Federation will invite and encourage its members within the agreed classification and / or age

[33] This agreement was incorporated retrospectively into GPO 347.
[34] Minutes of Waterside Workers Federation Conference, 20/10/80. New Zealand Waterfront Workers Union Records, 92-305, Box 14/6 (Alexander Turnbull Library, NLNZ).
[35] GPO 357, Appendix 4, Clause 2(c).

> groups at the port to indicate their willingness to leave the industry with redundancy benefits or to transfer to an agreed port.[36]

The GPO also stated that: "the parties will jointly examine the question of Bureau Register strengths at all ports".[37]

Although register strengths were influenced by industrial agreements (the GPO and local Orders), particularly the clauses which set out gang sizes, until this time register strengths were set through a series of negotiations at the local level which were separate from negotiations over these agreements. However, the registers could now be reduced by means of jointly agreed redundancy orders negotiated, not through the provisions of the Waterfront Industry Act, but rather under the terms of the agreement contained in the General Principal Order. As we shall see, after the Waterfront Industry Act was revamped in 1976, this became a source of tension as conflicts developed between the agreements and sets of rules established in each of the spheres which I have termed 'employment relations' and 'industrial relations'.

The first port where redundancies occurred was the small port of Raglan where, in September 1973, the register was closed which resulted in 36 redundancies. Early in 1974 further redundancy orders were applied for, and under the terms of the orders "81 men at Wellington, 53 at Lyttelton, and 20 at Taranaki elected to terminate their employment" (WIC Report 1974:5). The following year there were redundancies at the Port of Tauranga/Mount Maunganui, as well as at the minor ports of Wanganui and Oamaru where the registers were closed (WIC Report 1975:20).

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[36] GPO 357, Appendix 4, Clause 5.
[37] GPO 357, Appendix 4, Clause 15.

However, some of the port unions refused to negotiate redundancy agreements. At the port level - from the unions' point of view - building up register strengths, and eliminating casual labour, was a necessary prerequisite to establishing any sort of effective redundancy agreement. Because casuals supplied a 'buffer', which allowed the registers to be set at levels below the amount of labour required at the busiest times, the unions took the view that this buffer had to be eliminated and registers built up before they could then be reduced through voluntary redundancies. The situation at the Port of Auckland at this time was slightly different to most other ports insofar as the employers sought in 1973 to increase register strengths by 30 men. However, the Auckland Union sought a much larger increase as a prelude to addressing the issue of redundancy for older men. Ted Thompson, then the Assistant General Secretary of the WWF, remarked at the time that: "it would be difficult to get a redundancy payment while the register is below strength."[38]

The Port Employers Association began to apply increasing pressure to the Federation to reduce the size of bureau registers through redundancies. The effects of containerization impacted strongly in the mid-1970s and were compounded by the deteriorating economic situation: the 1973/4 oil shocks struck hard in New Zealand and led to declining levels of trade (see Roper 1993; Gould 1985). As the 1975 WIC Report incisively observed:

> The high level of demand created by the substantial increase of imports in 1973-74 had offset much of the diminished requirements for waterside labour which were developing as a result of the introduction of container services and extended use of roll-on / roll-off services. With the sudden cessation of this excess demand the waterfront industry has been confronted once again with serious problems of financing very large payments of guaranteed wages from a falling income (WIC Report 1975:3).

[38] Minutes of WWF Executive Meeting, 13/12/73. New Zealand Waterfront Workers Union Records, 92-305, Box 12/7 (Alexander Turnbull Library, NLNZ).

Graph 10.6 Labour Surpluses and Shortages (All Ports) 1970-88

Graph 10.6 demonstrates the significant increase in labour surpluses that occurred at this time. It was at this point that the employers applied pressure to drop older watersiders on the register (particularly those over 60).

Even after the 'adjustments' made in the wake of the Waterfront Conference, and the redundancy orders at some ports, a number of port unions continued to seek increases in the bureau register. However the Port Employers Association responded by seeking to defer negotiations over registers at the port level to a discussion of register strengths at a national level. A comment by one of the representatives of the Lyttelton Union at a WWF executive meeting in 1974 clearly indicate this shift in approach on the part of the employers:

> Mr Wasley stated that the Union was constantly endeavouring to force the employers to build up the bureau register but the employers have referred the question to the general situation of bureau registers at all ports.[39]

In November 1974 representatives of the WWF met with PEA officials. At this meeting the employers proposed register limitations for all ports (i.e. that the issue be considered on a national basis). Discussions of these limitations were linked to the negotiation of redundancy agreements at each individual port. These discussions, however, led only to small reductions in register limitations at the ports of Auckland and Mount Maunganui. Nonetheless, the employers got their wish for register strengths to be considered nationally when the Waterfront Industry Act 1976 was passed. But because of the institutional arrangements that it created, this was by no means a straightforward matter.

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[39] Minutes of WWF Executive Meeting, 26/11/74. New Zealand Waterfront Workers Union Records, 92-305, Box 12/7 (Alexander Turnbull Library, NLNZ).

(3.4) The Reconstituted Waterfront Industry Commission

To recap, the new Act attempted to rework the institutional arrangements 'from the center'. The Act marked a shift from a non-representative Commission under the direction of a sole Commissioner, which was coupled to decentralized authority in the setting of register strengths and in the negotiation of bureau rules, to a representative Commission which at a national level exercised centralized authority over these things. Under the Act responsibility for setting bureau register limitations (and establishing bureau rules) shifted from the local Port Conciliation Committees to the reconstituted Waterfront Industry Commission.[40] Consequently, the setting of bureau register strengths was switched from the port level to the national level.

This legislative intervention created a new corporate actor, the reconstituted Commission, with its own set of interests. As I demonstrate below, the Commission's interests centered particularly on fulfilling its legislative functions (which in some areas were unclear), legitimating its authority to act decisively relative to the key private actors, and not acting in a manner which caused it to be publicly embarrassed. In a number of cases the members of the Commission simply did not know how to go about fulfilling their statutory obligations. The way in which this role was negotiated hinged on the manner in which members of the Commission positioned it relative to the already well-established (and powerful) national organizations of employers and watersiders, and also to the local branches of these organizations and the Port Conciliation Committees.

The new role of the Commission exacerbated the tensions between the national and the local, between centralized and decentralized decision making, which

[40] Under the Act the Commission was reconstituted as a representative body, comprising two members representing the employers, two members representing the port unions, and an independent chairman. Note that the representatives were not the leaders of the national PEA or WWF but rather individuals with considerable experience within the industry, who were drawn from the local branches of these organizations.

existed previously. Under the Waterfront Industry Act 1953 decisions over register strengths and bureau rules were made locally. However the reconstituted Commission was charged with the responsibility for making decisions at the national level on these local matters. The difficulties that arose when the Commission attempted to determine register limitations are indicative of the problems inherent in superimposing a national administrative framework onto a locally-based set of arrangements, which to a certain extent would always have to be based on local differences.

In setting register strengths, the Commission needed the involvement of the local actors on each side because, although these actors might disagree, only they could know the broad labour requirements at the port level. Indeed the Act states that "investigation and consideration of the opinions of the unions of employers and workers at the port" was required, prior to the Commission setting register strengths at the port level.[41] But the problem was that the Commission's members did not know what the role of negotiations between the local actors, typically via the Port Conciliation Committees, should be in the decision-making process.

At the Commission' s inaugural meeting in April 1977 it was agreed that letters should be written to the WWF and the PEA to get their views regarding register strengths.[42] Although these letters were subsequently sent, the replies received were in a number of cases less than satisfactory. For instance, the minutes of a meeting of the Commission in August 1977 recorded that correspondence had been received from Lyttelton which indicated that, at least at this port, there was a degree of uncertainty as to the Commission's powers in the setting of bureau

[41] Waterfront Industry Act 1976, s 9(1)c.
[42] Minutes of the Waterfront Industry Commission, Meeting 1, 13/4/77. Waterfront Industry Commission Records, W3472, Box 48 (National Archives).

register strengths.[43] Interestingly enough, this was mirrored in similar uncertainty on the part of the Commission's members. The point at issue was the 'tolerance', incorporated in the GPO, which allowed register strengths (the actual number of workers on the register, that is) to vary by 5% above or below the agreed register limitation at each port.

At the next meeting (in September 1977) the Chairman of the Commission, Mr T. Small, commented that the Port of Onehunga would be worthwhile using as a "guinea pig" for the setting of register strengths.[44] The use of this phrase illustrates the uncertainty on the part of the Commission's members in relation to this issue. The employers and the union at Onehunga, through the medium of the local Port Conciliation Committee - Chairman Small explained - had both submitted a figure with a 5% tolerance. The problem was that the Act stated that the Commission was required to set the number of workers on registers - which implies a fixed number - and made no distinction between limitations and strengths, such as the 5% tolerance allowed. The tolerance was provided for in a clause contained in the GPO, whereas the Commission's powers were defined under the Act, which resulted in an area of ambiguity. Indeed, the Commission was somewhat divided on this matter. The union representative, Mel Foster, argued that the Act superseded the GPO. However the Chairman disagreed, stating that they were:

> all working on the assumption that the tolerance did apply. Neither the 1953 Act nor the 1976 Act specifically mentioned 'tolerance'. It was covered in the GPO and it appeared it was a method used to cover the highs and lows.[45]

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[43] Minutes of the Waterfront Industry Commission, Meeting 8, 23/8/77. Waterfront Industry Commission Records, W3472, Box 48 (National Archives).
[44] Minutes of the Waterfront Industry Commission, Meeting 9, 13/9/77. Waterfront Industry Commission Records, W3472, Box 48 (National Archives).
[45] Minutes of the Waterfront Industry Commission, Meeting 9, 13/9/77. Waterfront Industry Commission Records, W3472, Box 48 (National Archives).

This confusion exemplifies tensions inherent in the labour market being regulated in such a manner that it was systematically separated from the way that the formal rules governing work were negotiated, with different sites of regulation, separate bargaining procedures, and separate sets of rules regulating each of these spheres. (As I argued in a previous chapter, the distinction I have drawn between employment and industrial relations corresponded to a real set of arrangements on the waterfront.)

The Commission subsequently set the size of the register at Onehunga *with* a tolerance. It did stipulate, however, that applications needed to be made directly to the Commission rather than through the Port Conciliation Committee. This latter ruling foreshadowed subsequent ambivalence on the part of the Commission over the extent to which the actors at the local level could bargain over strengths through the PCCs (as opposed to each party submitting a figure to the Commission and it making the final decision). Indeed the confusion raised by the 5% tolerance clause in the GPO was repeated in relation the sections of the GPO which stipulated that the key actors had an obligation (but also a right) to negotiate over register strengths and redundancies. This centered on the potential conflict between the Commission setting register limitations as required under the Act, and the unions and employers negotiating register limitations, as part and parcel of declarations of redundancy as set out in the GPO.

At some ports, particularly those where the parties agreed (such as Port Chalmers), register strengths were set without much difficulty during 1978. In effect, all the Commission did was to rubber stamp an agreement which had been reached at the local level. However, at ports where agreement could not be reached at the local level, and where it seemed that the Commission would have to make a decision, considerable difficulties arose. The Port of Auckland is a case in point. It appears that the Commission was reluctant to intervene, with one of the union

representatives on the Commission stating that: "while there is a possibility of agreement being reached between the principal parties the Commission should not attempt to interfere."[46] Undoubtedly part of this unwillingness was that members of the Commission (both the employer and the union representatives) did not know what to do - in the sense of what their powers were relative to the key actors at the local level - and were concerned about overstepping the mark. One of the employers' representatives suggested that perhaps they should:

> confirm the present undertakings that it was a decision of the Commission to determine register strengths and the prerogative of the Port Conciliation Chairman to ensure that these decisions were abided by.[47]

The other employers' representative went as far as to comment that, in relation to setting register strengths, he felt "confused" as to what the responsibilities of the Commission were under the Act relative to the provisions in the GPO which permitted negotiations at the port level. One of the union representatives replied that:

> If it had been meant that the Commission was to be the sole arbitrator then all the clauses in the GPO should have been deleted. If the Commission was going to be set up and used to interfere with the rights of parties to negotiate then there would be all kinds of trouble.[48]

It appears that the Commission's members were wary of overstepping the limits of their authority and getting embroiled in, or even causing, a dispute. One of the employers' representatives (D. Binnie), in an attempt to seek legitimation for their authority to act, said that he felt they "had to obtain a legal opinion as to what was

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[46] Minutes of the Waterfront Industry Commission, Meeting 19, 26/7/78. Waterfront Industry Commission Records, W3472, Box 48 (National Archives).
[47] Ibid.
[48] Ibid.

really important, the Act or the General Principal Order."[49] The other employers' representative (R. Dawson) opined that if the Commission "did not take steps to adjust the level [of bureau registers] . . . then it was not carrying out its primary function to ensure the efficiency of the industry."[50] A resolution was passed at this meeting which stated that negotiations over register strengths should be decided by the employers and unions themselves, but if such an agreement could not be reached then the Commission should determine the matter.

Despite this resolution, at the next meeting of the Commission the issue was raised once again. Once again, the bone of contention was the extent of involvement of the unions and employers, and the importance of negotiations between them in the setting of register strengths relative to the Commission's role. Mr Ritchie (one of the Commission's union representatives) remarked that the Waterside Workers Federation "would not try to tell the Commission that it had no rights at all but there was provision under the [General] Principal Order for the parties to negotiate on this matter."[51] Mr Binnie, on the other hand, argued that the Commission did have the authority under the Act to set bureau register limitations. Chairman Small summed up the situation by stating that:

> to be effective and correct in what a bureau limitation might be, he felt it was the desire of members that there should be agreement between the parties. . . . The first principle would be if the parties agree, then the Commission would consider if [it was] right and proper.[52]

The legal opinion which had been obtained on the potential conflict between the Act and the General Principal Order was that the Commission was empowered to

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[49] Ibid.
[50] Ibid.
[51] Minutes of the Waterfront Industry Commission, Meeting 20, 29/8/78. Waterfront Industry Commission Records, W3472, Box 48 (National Archives).
[52] Ibid.

vary register strengths both up and down.[53] But, despite this opinion, the members of the Commission still sought in earnest to have the WWF and PEA reach agreement on the size of bureau registers at the port level.

Part of the Commission's brief was to determine register strengths for all ports. The frustration of the Commission in attempting to facilitate negotiations between the PEA and WWF over register strengths (which were intertwined with negotiations over redundancies) is apparent its 1978 Annual Report:

> Towards the end of 1977 the commission arranged to hold . . . [a] meeting with the main parties in the waterfront industry. . . . It was expected that bureau registers could be discussed at this meeting. By February 1978 when the meeting was held the Waterside Workers' Federation had already had some discussions on redundancy with the Waterside Employers' Union. As the year proceeded and the drastically reduced level of employment became more and more apparent, . . . so the discussions on redundancy continued . . . . In June 1978 the commission requested the parties to inform it on the state of negotiations as it was very concerned at having to defer the fixing of bureau registers. . . . On 2 November 1978 the commission again wrote to the parties expressing concern at the apparent lack of progress and advising them of its intention to hold meetings for the purpose of obtaining the opinions of the parties at each port which are needed before a new bureau register can be determined. . . . The time taken before it became possible to proceed with meetings which will lead to the determination of new register strengths has been prolonged. The commission would wish that it had been shorter (WIC Report 1978:5-6).

The minutes of the meeting of the Commission in November 1978, where it was resolved to write to the unions and the employers, are particularly instructive regarding its members' unwillingness to act without the cooperation of, and input from the private actors. The minutes also indicate the pressure that members of the Commission felt, particularly insofar as it was a new organization, given certain statutory responsibilities under the Act. It seems that the main thing the

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[53] Minutes of the Waterfront Industry Commission, Meeting 21, 28/9/78. Waterfront Industry Commission Records, W3472, Box 48 (National Archives).

members of the Commission were worried about was preserving its public 'face'. The following statement is the record of a comment made by one of the union representatives (S. Ritchie) regarding the lack of agreement between the PEA and the WWF over revising register strengths:

> if the matter took much longer to reach agreement neither the Employers' Union or the Federation would be the villains, it would be the Commission. The Commission was in a very vulnerable position because of the Act. They had already received letters from the Auckland Port Employers Union and some Harbour Boards and if they all ganged up the Commission would be held responsible and the parties let off the hook.[54]

To some degree, it appears that the private actors exploited the area of uncertainty between the Act and the GPO. For instance, the WWF refused to bargain with employers over register limitations until the issue of redundancies for men aged 60-65 was resolved, yet at the same time they insisted that they had the right to have an input into the setting of these limitations (which the Commission was under pressure to finalize).

It should be reiterated that the Commission actually wanted the parties to negotiate over this issue. As well as sending letters to the PEA and WWF which once again pointed out the Commission's obligations under the Act and expressed concern at the lack of progress, the members of the Commission also instructed its Branch Managers to convene meetings of employers and the unions at the local level to get opinions about labour requirements "preparatory to the WIC setting the required bureau strengths at all ports."[55] The minutes record the following comment by R. Dawson (an employers' representative):

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[54] Minutes of the Waterfront Industry Commission, Meeting 22, 1/11/78. Waterfront Industry Commission Records, W3472, Box 48 (National Archives).
[55] Ibid.

> while register limitations would be decided on a national basis there must be some sort of negotiations on a local basis for the Commission to make responsible decisions on what would be needed.[56]

This expresses the difficulties associated with a national administrative body being given responsibility for matters which always would have to be influenced by interests at the local level (as only the local actors could know the manpower requirements of each port). It is apparent from the minutes of the Commission's meetings that, despite the resolutions it had previously passed, its members had not at this point decided how far to intervene if agreement at the local level could not be reached.

The procedure that was finally adopted is as follows. Following the meetings with representatives of the employers and unions, which were convened at the port level by the Commission's Branch Managers, the parties made submissions on register strengths to the Commission. These submissions were then passed on to the head offices of the PEA and WWF, and the Commission met with their national representatives in April 1979 (WIC Report 1979:5). It appears from the Commission's minutes that at a number of ports agreements were reached by the parties themselves, including the Port of Auckland (where agreement had previously been difficult to obtain). In cases where agreement could not be reached, however, the Commission did set registers limitations which the employers and unions agreed to abide by. Doing so did not provoke a crisis.

Overall, as the relevant Commission annual report noted:

> The commission endeavoured to set levels which would balance the demands made at peak periods with the need to minimize guaranteed wage payments in the slack periods. In attempting this reconciliation considerable thought was given to the way in which temporary

[56] Ibid.

> transfers of men between ports could smooth out the peaks and troughs of employment. . . . The overall effect of the commission's determination is that the new bureau registers are generally lower than the levels previously fixed (WIC Report 1979:5-6).

The sharp decrease in register limitations which resulted is apparent in Graph 10.4. But is should also be noted that the actual register strengths decreased only slightly.

When the Commission set register limitations in 1979 it did so with the provision for the 5% tolerance included in the GPO. This was taken as a given, and was subsequently confirmed by a decision of the Waterfront Industry Tribunal in an appeal by the Port Employers' Association regarding the extent to which the tolerance applied. The Tribunal found that at no time could the actual bureau register strength fall below or rise above the limitation imposed by the Waterfront Industry Commission by more than 5%.[57] Under this arrangement, the Port Conciliation Committees could vary the actual strength of the register but only within this margin. When either the employers or union at a port sought to exceed this tolerance, they were required to apply to the Commission for a 'review' of the limitation. As a subsequent Tribunal decision put it, "Although the Commission has not been (and could not be) a party to any of the General Principal Orders, it accepts from a practical viewpoint that the provision is an appropriate one."[58]

This latter comment exemplifies the tensions between the Act and the GPO, between state actors and private actors, and ultimately between employment relations and industrial relations as separately constituted 'realms' within a legally regulated system. A somewhat paradoxical result of the different rights and responsibilities enshrined in the Act and the GPO was that the Commission could

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[57] WIT Decision 750, 4/2/80. Waterfront Industry Commission Records, W3472, Box 57, (National Archives).
[58] WIT Decision 864, 17/5/85. Waterfront Industry Commission Records, W3472, Box 58, (National Archives).

not reduce the actual number of watersiders on the register. As the Commission report for 1978 noted:

> there appear to be serious misunderstandings as to the limits of the commission's powers under the Waterfront Industry Act 1976 to determine bureau register strengths at all New Zealand ports. The commission therefore considers it necessary to draw particular attention to the fact that while it has responsibility for fixing bureau register strengths it cannot take any action of its volition to remove a single waterside worker from a port bureau register. The employers . . . have an agreement with the waterside workers' unions which means that redundancy will only be carried out by voluntary means (WIC Report 1978:6).

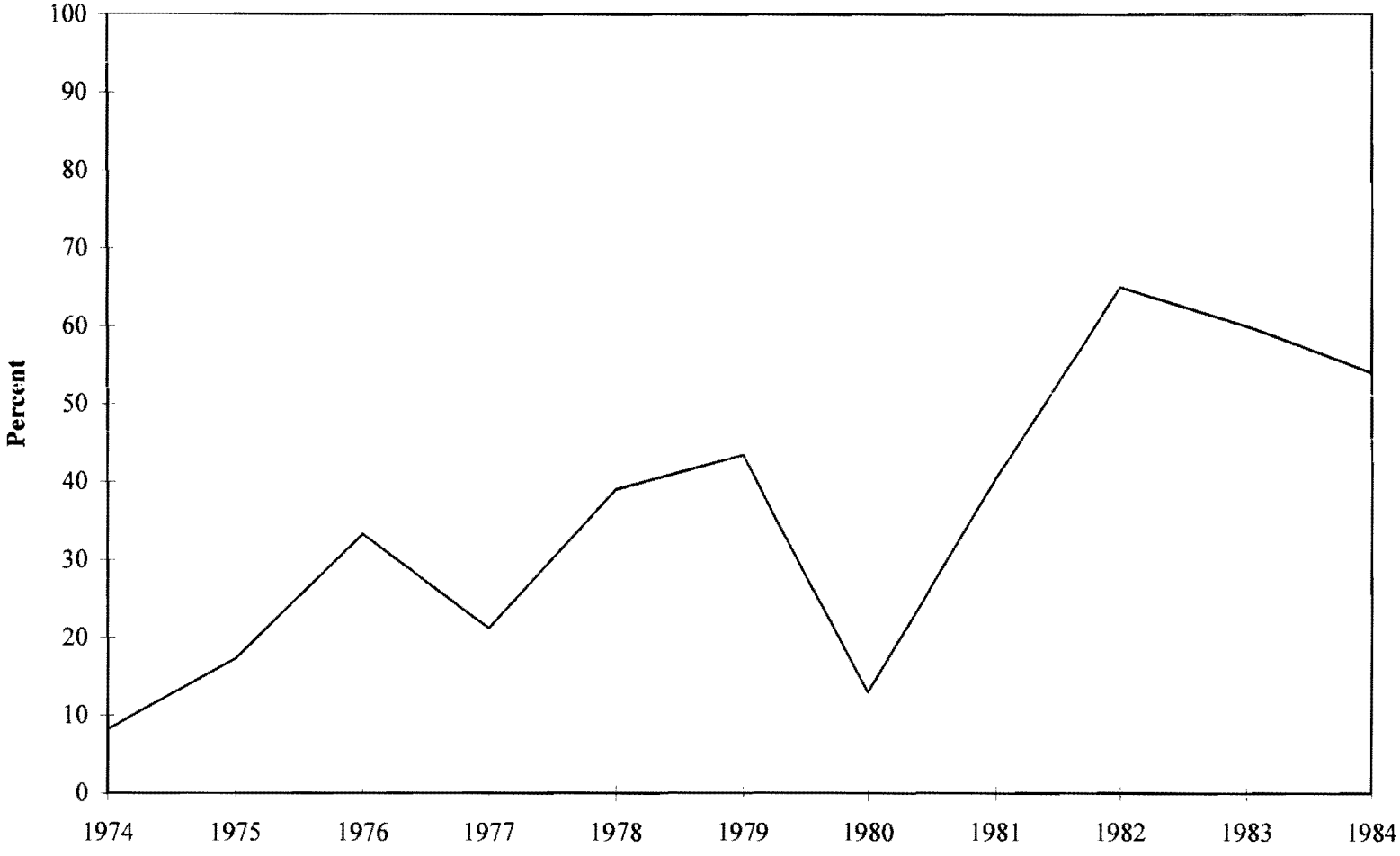
What this meant was that the Commission set register limits but it could not enforce these if they were less than the number actually on the register. Reductions in register strengths could only be effected through watersiders taking voluntary redundancies, and by natural attrition.

As the aggregate figures presented in Graph 10.4 indicate, after the Commission set register limitations in 1979 there were some ports where the register strength exceeded the limitation.[59] Thus the Commission had to allow "employee levels to run down to an economic level" (WIC Report 1978:6). It appears, however, that this process was materially assisted by the prevailing redundancy agreements. Further redundancy agreements had been negotiated late in 1978 which provided for voluntary retirement for men 60 and over, and compulsory retirement for men 65 and over.[60] As Roth (1993:183) notes, "The employers . . . failed in their

[59] In 1979 the ports where the register strengths exceeded the register limitation, and the numbers involved, are as follows: Auckland (33), Wellington (57), Dunedin (4), Napier (90), Taranaki (25), Timaru (13) and Gisborne (9).

[60] The agreement which resulted in compulsory retirement was actually negotiated two years previously. In 1976 the PEA, Harbours Association and WWF had made an application by consent to the Waterfront Industry Tribunal for a Principal Order fixing a date for the removal from bureau registers of all watersiders 65 and over. The date set by the Tribunal was 2 October 1978 WIT Decision 686, 10/8/76. Waterfront Industry Commission Records, W3472, Box 57, (National Archives).

Graph 10.7 Permanent Transfers as % of New Entrants to Registers



efforts to make redundancy at age 60 compulsory and the redundancy payments agreed on were among the best in the country."

(3.5) The Consolidation of a National Labour Market

At this time, the Waterside Workers' Federation sought to exert even greater control over the (albeit diminishing) supply of labour. The Federation established a policy whereby the port unions attempted to 'reserve' any vacancies on bureau registers for those already in the industry. In general, the Federation sought to exclude outsiders from entry to bureau registers while members at other ports were available for permanent transfers. Federation President Ray Fergus stated at an executive meeting that:

> The Federation policy is to circularize all ports for permanent transfers in preference to putting outsiders on the registers whether or not these people have been employed as non-union labour.[61]

This policy depended on the local unions adhering to it (and also the employers at the ports in question agreeing to accept the watersiders who were to be transferred). It was not always successful. For although the Federation assumed greater control over the labour supply in an attempt to establish a closed *national* labour market, the port unions still exerted control within the labour market at the local level. For example, the Nelson Union incurred the wrath of Federation executive members for allowing outside labour onto the bureau register instead of arranging a permanent transfer. One executive member even commented that "we should do something positive to bring the Nelson Union into line."[62] Nonetheless, the increase in the numbers of permanent transfers (which Graph 10.7 demonstrates) shows that the strategy was reasonably successful. This

[61] Minutes of WWF Executive Meeting, 24/2/78. New Zealand Waterfront Workers Union Records, 92-305, Box 13/1 (Alexander Turnbull Library, NLNZ).
[62] Minutes of WWF Executive Meeting, 24/3/81. New Zealand Waterfront Workers Union Records, 92-305, Box 13/2 (Alexander Turnbull Library, NLNZ).

resulted in a change from a series of local labour markets which recruited watersiders from a local 'catchment' to more of a nationally organized market where watersiders were shuttled between ports (both through permanent and temporary transfers) to fill vacancies.

This Federation strategy of filling vacancies 'internally' was complemented by a decision to push for the complete elimination of casual labour. At a WWF executive meeting in 1978 it had been resolved not to allow the use of casual labour while register strengths were being negotiated. Although casual labour was still being used at some ports (such as Picton and Timaru) at this time, at others (such as Auckland, Mount Maunganui, Gisborne, Nelson and New Plymouth) casuals had been squeezed out of the labour market.[63] This was a result both of the port unions' success in building up register strengths, and their opposition (and that of the rank and file) to its continued use. For example, in January 1989 the Nelson Union abolished the subsidiary register at that port and stopped the use of casuals.[64]

As Graph 10.5 demonstrates, casual labour was all but eliminated by 1979, and the subsidiary register clause was subsequently excluded from the GPO that was negotiated in 1980.[65] As Ted Thompson commented, "When it was accepted that it was a case of redundancy to lower-age group workers this position was only agreed in conjunction with the phase out of . . . casual labour."[66] The PEA's annual report for 1980 stated that:

> in light of the situation which has been prevalent over recent years, with the absolute refusal by port Unions to work with non-Union

[63] Minutes of WWF Executive Meeting, 30/3/79. Zealand Waterfront Workers Union Records, 92-305, Box 13/1 (Alexander Turnbull Library, NLNZ).
[64] PEA/WEU Annual Report, 1/3/79. Port Employers Association Records, 89-395, Box 130 (Alexander Turnbull Library, NLNZ).
[65] Consequently the Commission ceased collecting statistics on wages paid to casual workers.
[66] Personal Communication, 6/10/94.

> labour and [ships'] crew, the preference clause was therefore amended precluding the use of non-Union labour.[67]

Undoubtedly some employers wanted to use casual labour, particularly at the fruit exporting ports which experienced considerable variations in the demand for labour (see MOT 1984:211), but temporary interport labour transfers had to suffice. WWF President Ray Fergus noted in 1982 that:

> in at least one . . . [port] our employers are still doing all they can to remove or substantially remove . . . [temporary] transfers and to bring about non-registered and/or crew employment once again. In fact in that port the local employes and harbour board in particular, have never ceased to demand a return to that type of . . . employment.[68]

The point is that the unions had enough industrial strength to be able to eliminate casual labour. The more general point is that the position of casual workers within the labour market is as much a product of the capacity of unions to implement strategies of labour market closure as that of 'employer preference', or any general trend towards or against (de)casualization.

Following the Commission setting the register limitations for the first time in 1979, it continued to review the situation each year. Once again, it sought to ensure agreement was reached between the employers and the Federation before making a decision. In 1980, the Commission held meetings at the port level regarding register limitations. As the Commission's annual report (1980:4) noted, "A number of ports reached unanimous agreement on numbers considered appropriate and in all cases the commission was in agreement with the numbers recommended." However there were a number of cases where the Commission

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[67] PEA/WEU Annual Report, 1/3/79. Port Employers Association Records, 89-395, Box 130 (Alexander Turnbull Library, NLNZ).
[68] Minutes of Waterside Workers Federation Conference, 18/10/82. New Zealand Waterfront Workers Union Records, 92-305, Box 14/7 (Alexander Turnbull Library, NLNZ).

made decisions on register strengths at ports where agreement between the union and the employers could not be reached. Once again, the Commission was limited by the fact that it had no power to actually reduce register strengths at ports where they were in excess of the limitations which it had set. For instance, the Commission retained the register strength of 400 which it had set at the Port of Napier in 1979, despite submissions to alter it. But the actual register strength remained at 475. The most that the Commission could do was to request that "the parties concerned . . . make more strenuous efforts to reduce the bureau strength to the number determined" (WIC Report 1981:5). Paradoxically, at the same time as a national labour market was being consolidated (through the actions of the Federation), the reconstituted Commission was unable to centrally regulate this market.

In the mid-1980s pressure was applied by the employers to decrease the size of port registers even further. As the Ministry of Transport's Onshore Costs Study noted in 1984, "Given the current employer's [sic] view that manpower levels have not fallen sufficiently quickly to meet the requirements of the waterfront industry, the question of increased redundancies may soon surface" (MOT 1984:178). Although the question subsequently did surface, reductions in 'manpower levels' were achieved by agreements for further voluntary retirements (at some ports down to age 55) and negotiated redundancy orders. Graph 10.4 demonstrates the steady decline in register numbers during the 1980s.

A further development occurred in the late 1980s when it became apparent that the industry was to be deregulated, and after changes to the legal framework which regulated industrial relations. The unions engaged in a form of concession bargaining which linked changes in work practices to reductions in register strengths. Before briefly outlining this strategic shift (which will be elaborated in greater depth in Chapter 13), I will examine the impact of containerization upon

the other main set of 'power resources' regarding the labour supply: the procedures through which watersiders were allocated to work.

(4) Allocation to Work

In Chapter 4, I examined the manner in which bureau rules were negotiated and what they regulated. I demonstrated that bureau rules were negotiated at the local port level through the Port Conciliation Committees, and that by the mid-1950s broadly similar sets of bureau rules had been adopted at most ports. To recap, bureau rules provided for the classification and engagement of registered watersiders, the order of their allocation to work in accordance with the principle of equalization of work opportunity for the registered workforce at each port, and the system of penalties which formed the basis of the formal system of industrial discipline on the waterfront.

As in the setting of register strengths, under the 1976 Waterfront Industry Act the responsibility for establishing and amending bureau rules was transferred from the local Port Conciliation Committees to the reconstituted Commission. It appears, however, that this shift in responsibilities was by no means as contentious or troublesome as the issue of register strengths. At a Commission meeting in 1977, one of the members stated that "when the Commission did get around to revising bureau rules they would consult with the parties."[69] It appears that the Commission took some time before it did 'get around' to making these revisions, and when it did so it was very much influenced by the opinions of the key actors at the port level. Indeed in 1984 the Assistant General Manager of the Commission, P. Ryan, sent a memorandum to all Branch Managers reminding them of the Commission's responsibility in establishing bureau rules. It stated:

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[69] Minutes of the Waterfront Industry Commission, Meeting 10, 11/10/77. Waterfront Industry Commission Records, W3472, Box 48 (National Archives).

> The Commission however, as with local amenities matters, would to a very large extent be guided by local interests and, therefore, any proposals relating to changes to bureau rules are to be advised to this office, together with a report by the Branch Manager on the effect any such proposals may have on the conduct of bureau operations, for the Commission's consideration.[70]

Unlike bureau register strengths, substantial changes to bureau rules did not occur and thus, in this area, there were greater continuities with the previous period. Indeed, one of the most contentious issues, the allocation of watersiders to work in the four designated container terminals and the Union Shipping Company's roll-on / roll off (Seacargo) terminals, was no longer regulated by bureau rules and thus had already been placed outside the purview of the reconstituted Commission. Because the discussion (in Chapter 4) of employment relations in the break-bulk period dealt with work allocation practices, it is appropriate at this point to deal with the tensions which containerization gave rise to in this latter area, and the manner in which they were resolved.

The issue is the challenge that work in the new container facilities posed to the manner in which the distribution of "collective job opportunity" (Perlman 1928:9) was regulated. In Chapter 4, I explained how the unions had been successful in establishing a system of enforced equalization of the distribution of work, which was vital to achieving harmony amongst union members. Although a tension developed between this system of work allocation and the wage form, which centered on work that paid different rates of bonus, the unions subsequently were able to overcome this problem by securing agreement amongst the rank and file at each port to pool bonus payments.

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[70] Memorandum, 12/11/84. Waterfront Industry Commission Records, W3472, Box 44, 5/473 (National Archives).

Work in container facilities had a similar potential to be a source of division amongst watersiders because generally it was better paid, some watersiders regarded it as more desirable, and it was more regular than work outside these facilities. As one executive member of the Lyttelton Union put it, "a man who was in the container terminal knew he would have a certain foreman, a certain job with certain days off but when he went back to the corner he did not know what his next job would be."[71] Although undoubtedly many watersiders liked the variation in cargoes and jobs which break-bulk work provided, the greater regularity of container work appealed to others.

Certainly, such a problem arose within the Foreman-Stevedores Union, in that some of its members regarded the foremen who worked at the Lyttelton container terminal as having formed a 'clique'. Despite cross-hiring arrangements between companies these individuals had accepted double-shifts and so forth, which angered the foremen who worked on the conventional wharves.[72] Part of the reason this problem occurred was that, unlike watersiders, foremen-stevedores were permanently employed by companies. But it nonetheless demonstrates the potential difficulties the waterside workers' unions faced in relation to their members working within these facilities.

The Port Employers Association argued, in its submission to the 1971 Royal Commission of Inquiry into container handling, that work in the container terminals should be carried out by a separate section of the watersiders' union at the ports in question. The employers also maintained that watersiders should be allocated to the terminals on a long term basis, justifying this with an argument that related to the 'firm-specific' skills which watersiders would acquire and be

[71] Minutes of Special Meeting of the Waterfront Industry Commission, 14/2/78. Waterfront Industry Commission Records, W3472, Box 48 (National Archives).
[72] This point was commented on by members of the Board of Directors of the Lyttelton Stevedoring Company at its Annual General Meeting on 27/3/81.

required to use. In short, the employers sought to create a 'segmented' labour market and workforce. However, well aware of the potential of such an arrangement to divide union members, the Federation strongly resisted this move. Ted Thompson, who was then the General Secretary, commented in an interview:

> They didn't get off the ground with that. We did give them regular workers but we had a change over date. . . . We wouldn't agree that they have them there [in the container terminals] for ever and a day and create a labour aristocracy. (Interview)

Ultimately, the manner in which watersiders were allocated to the composite workforce (of watersiders and harbour workers) in container terminals was decided in the arbitrated agreement that formed the basis of the Principal Order which regulated work in these facilities (see Chapter 7).

To be sure, the Federation lost some things relating to the terms of employment under this agreement. For instance, the agreement stipulated that members of the composite workforce had to "report for duty" each day and could only take a day off with the permission of the Terminal Manager (for a good reason), as opposed to the arrangement under bureau rules where watersiders could take days off as long as they notified the bureau the day before. The arbitrator, R. Davison, wrote in support of this decision:

> I do not think it appropriate that in container work of this type the ordinary rules as to time off applicable to Union members on other work should apply. The essence of container work is that it shall be done by a small, highly trained gang of workers who shall be available during agreed working hours to carry out container operations. In these circumstances I think it essential that an employer should have more control over the attendance of workers in the composite work force.[73]

[73] Arbitration Between Operators of Marine Container Terminals and the New Zealand Waterside Workers' Federation and The New Zealand Habour Boards Employees' Industrial Union of Workers, (R. Davison, Arbitrator), 16/10/71.

The Federation was therefore unsuccessful in its attempt to retain the same employment procedures as applied on conventional wharves.

Significantly, however, the Federation did secure a form of job rotation on a relatively short term basis. Arbitrator Davison wrote in his decision:

> The difference between the parties . . . arises from the employers wishing to have a long term engagement of the work force so as to enable workers to acquire maximum skills and efficiency. On the other hand, the Unions want as many of their members as possible to have the opportunity of taking part in container operations.[74]

The employers had wanted workers in the composite workforce to remain with an employer for twelve months at a time, whereas the Federation had wanted the period of engagement to be eighteen weeks. The arbitrator ruled, however, that the period of engagement was to be six months with one third of the workforce being replaced every two months. Although this decision was subsequently amended by negotiations between the employers and the unions, it formed the basis of the terms of employment under the container terminals agreement until the Waterfront Industry Commission was abolished in 1989. By the time Principal Order 432 was negotiated in 1979, the terms of employment had been altered such that the period of engagement differed slightly between the four container terminals, but the same principle of worker rotation applied in each case.[75] Under the Principal Order covering the Union Shipping Company's 'Seacargo Terminals', a similar arrangement existed whereby one third of the watersiders at these facilities were rotated every six weeks.

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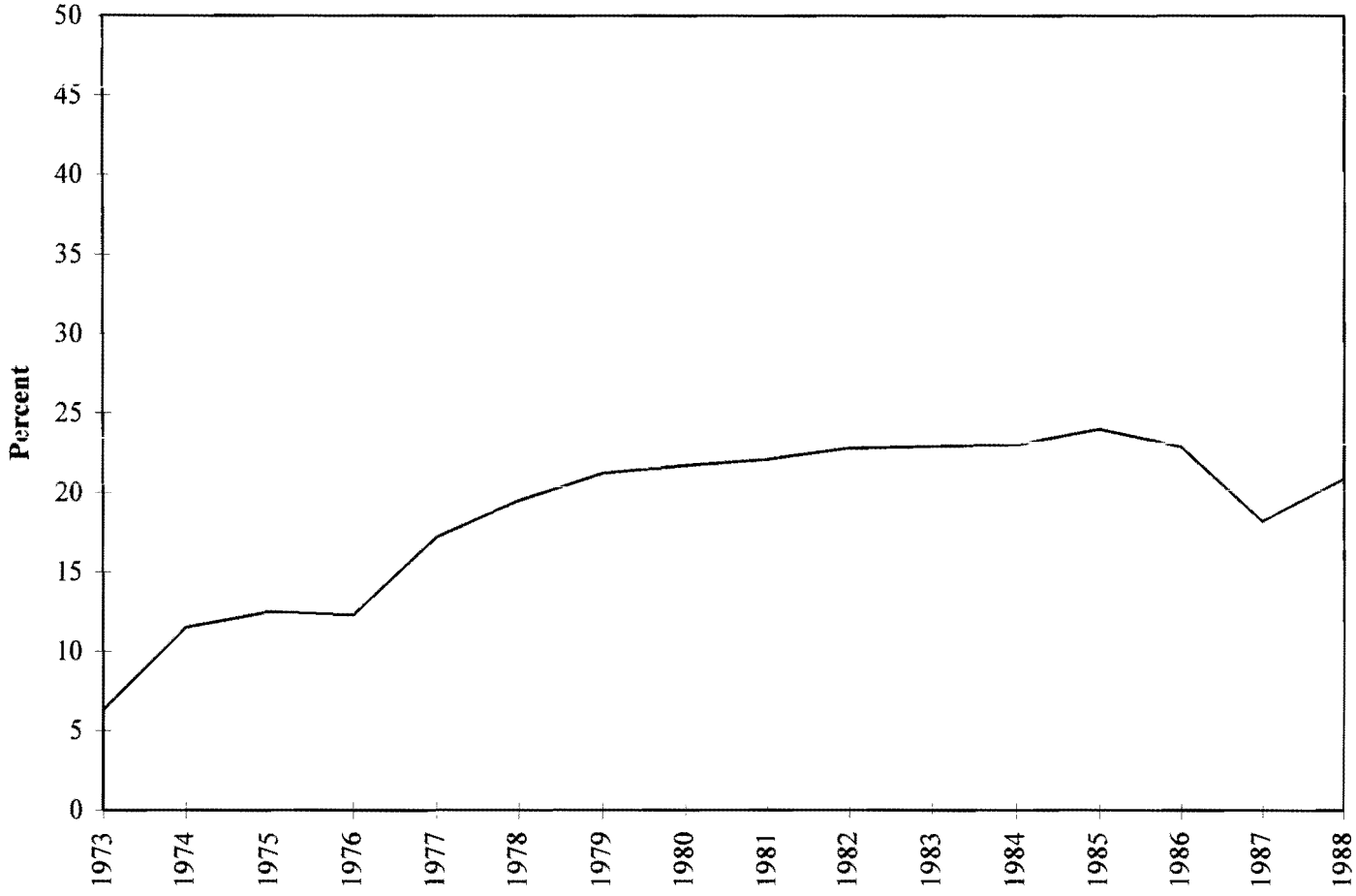
[74] Ibid.

[75] At Auckland the composite workforce remained in employment for 24 weeks, one quarter being replaced at six weekly intervals; at Wellington and Port Chalmers the period of engagement was 18 weeks with one third being replaced at six weekly intervals; and at Lyttelton the period of engagement was 12 weeks with one third being replaced every four weeks.

Graph 10.8 Watersiders at Terminals as % of Total Registered Workforce



As in the case of bureau registers generally, the unions had 'joint control' of the size of the composite workforce. The agreement which governed the composite workforce in container terminals contained a clause which stipulated that the minimum number of workers in the composite workforce was to be negotiated between the employer and the local union, in conjunction with the national officers of the Federation. It also stipulated that, when an employer was recruiting workers for the composite workforce, they had to apply to the local watersiders' union and the Harbour Workers Union for volunteers, from whom the required workers were selected. Workers in the composite workforce who volunteered, and were selected by each port's selection committee, were then sent to the Waterfront Training Organization (the number being based on the port's allocation of workers to be trained).

As Graph 10.8 demonstrates, a reasonably significant number of watersiders worked in container terminals and the Union Shipping Company's Seacargo Terminals. Undoubtedly there was resentment in some quarters towards watersiders who were selected to work in these facilities. But the form of worker rotation that was adopted did forestall the development of a 'labour aristocracy'. Any problems that were caused for the unions by resentment on the part of watersiders regarding the allocation of workers to container work, was slight in comparison to the problems regarding differing levels of bonus payments which developed in the break-bulk period prior to bonuses being pooled.

(5) Summary and Conclusion

In this chapter I have argued that containerization, coupled with decreasing levels of trade, had the potential to disrupt the stable set of power relations between the key actors in the labour market which had gelled in the break-bulk era. It posed a particular threat to the unions. However, because they had joint control of register

limitations, which was a decisive 'power resource', the unions were able to effectively manage the downward pressures on the register. This institutional arrangement allowed the unions to build up register strengths while simultaneously squeezing out casual labour. Furthermore, the impact on bargaining of the industrial strength which the Federation had built up during the 1960s was reflected in an agreement that redundancies were to be voluntary. In the context of joint control of register strengths, the Port Employers' Association had to accept a series of trade-offs in order to get register numbers down.

Despite these controls, the overall effect of voluntary redundancies on employment levels was drastic, with the number of registered watersiders declining by almost half, from 6832 in 1970 to 3697 in 1987. However through the Federation eventually forcing the complete elimination of casual labour (as one of the 'trade-offs mentioned above) in 1980, and by insisting that vacancies be filled from within the industry, a 'sealed' national labour market was developed in which watersiders were shuttled between ports (both through permanent and temporary transfers). The overriding feature of this period is that the Federation and the port unions exerted increasingly tighter control over an ever-diminishing supply of labour.

These strategies were deployed within a set of institutional arrangements that were modified by the Waterfront Industry Act 1976. This legislative intervention resulted in a shift from a non-representative Commission, which was coupled to decentralized authority in the setting of register strengths and the establishment of bureau rules, to a representative Commission which exercised centralized authority at the national level. However, achieving 'joint control' at this level in 1977 did not substantially alter power relations between employers and unions because both had been excluded from representation on the Commission prior to this time. Furthermore, the Commission initially was unwilling to act decisively

in the setting of register limitations. Instead it deferred to the private actors and to negotiations conducted at the local level. And when the Commission did act to set limitations, where these were below the actual numbers of registered watersiders, the Commission could not enforce them because it had no authority to effect redundancies. Because of these tensions, and despite the effective coordination of a national labour market by the Federation, in this case a completely national form of governance could not be achieved.

The problems the Commission faced in setting register limitations not only highlight, once again, the tensions involved in superimposing a national system onto a locally based one. These problems also exemplify the tensions between the Act and the GPO, between the Commission and 'the parties', between state actors and private actors, and ultimately between employment relations and industrial relations as separately constituted 'realms' within a legally regulated system. These tensions, in particular the blurring of the boundaries between employment relations and industrial relations, foreshadowed developments in the late 1980s. However, unlike the late 1970s when, if anything, the Waterside Workers' Federation actually exploited (or at least were not disadvantaged by) the tension between the Act and the GPO, ten years later the erosion of these boundaries signalled a weakening of the Federation's position.

Throughout the period that this thesis examines (from 1953 onwards) register strengths at each port were negotiated separately from the size of gangs and work practices (although the former were built upon the latter). This arrangement was reinforced by the fact that there were two sites of bargaining and a separate set of rules and procedures governing each of the spheres that I have termed 'employment relations' and 'industrial relations' respectively. In negotiating register strengths gang strengths and work practices (which were set out in the General Principal Orders and Principal Orders) were simply taken for granted.

Agreed upon register limitations at each port reflected the prevailing gang strengths and work practices. Obviously there were flow-on effects to register strengths of any reductions in gang sizes (of which there were few, even after containerization), but the two sets of negotiations were not explicitly linked. Rather, work practices were considered separately from the labour supply.

This arrangement changed in the late 1980s when the Federation faced the prospect of the industry being deregulated, an onslaught from the employers, and also a change in the legislative regulation of industrial relations (which I will deal with in Chapter 13). It was in this context that, in 1987, the Auckland Union opened up a form of concession bargaining which explicitly linked changes in work practices and reductions in register strengths. The Auckland port employers' industrial officer wrote in a letter to the Branch Manager of the Commission that:

> The parties have by agreement departed from the traditional method of determining such [bureau register] limitations which has included allowances for current practices.[76]

The employers and the Auckland Union had agreed to a new bureau register limitation of 780 - a reduction of some 170 workers. This reduction was linked to adherence to the manning scales set out in the GPO and flexibility in the utilization of workers engaged for work other than loading and unloading cargo, both of which were expected to save employers 30 workers per day. Also, watersiders who were rostered to have a rest day were to be made available for work, which was expected to make an additional 40 men available for use in times of high demand for labour. Never before had modifications in work practices and register strengths been explicitly linked in this manner. The port industrial officer presented the employers' side of the story:

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[76] Letter from G. Ward to P. Ryan, 10/12/87. Waterfront Industry Commission Records, W3472, Box 49, (National Archives).

> the parties to the agreement are confident that an improvement in industrial relations in the port manifested in this agreement will result in a much faster turnaround of vessels in the port which will result in much greater efficiency of labour utilization.[77]

Significantly, however, employers were still not able to use casual labour.

In the face of containerization, the unions had been able to manage downward pressures on register strengths and (as I will demonstrate in subsequent chapters) had largely retained control of work practices. However, these concessions by the Auckland Union foreshadowed the port unions, in the post-deregulation period, losing control of certain aspects of the labour supply (with the reintroduction of casual labour), and even greater control of work practices. These issues will be addressed in the last three chapters of the thesis. In the next chapter, however, I will examine industrial relations in the container era, prior to deregulation.

[77] Ibid.

CHAPTER 11 : INDUSTRIAL RELATIONS 1972-1986

(1) Introduction

In this chapter I will examine industrial relations on the waterfront from 1972 until 1986. Like Chapter 5, which dealt with industrial relations in the preceding period, this chapter performs two tasks: it outlines bargaining processes and outcomes in terms of wages and conditions, and also identifies the shifting relationships between the key actors which were manifested in industrial relations practices. The first (essentially descriptive) task will form the basis of the chapter's structure as an historical narrative, arranged chronologically. The second task constitutes the analytical component of the chapter. The argument I make is that it was the tension and shifting balance between those actors pursuing centralization and those pursuing decentralization which shaped the pattern of industrial relations in this period.

(2) Union Strategies and Employer Strategies

The period which I will examine in this chapter was characterized by increasing union strength, and increasing employer disunity. Although the main employers' organization was a centralized association, and the watersiders' national organization was only a loosely-knit federation, paradoxically the port unions had more success at acting in concert than the employers. The Federation and port unions exploited the divisions between employers (which, as I noted in Chapter 9, were largely a product of technological change) to good effect, by splitting off individual employers in securing special agreements, and then using these as the basis for improvements in the national agreement.

(2.1) The Waterside Workers Federation

In Chapter 9, I argued that both the 'external strength' and 'internal strength' (Fox and Flanders 1969:155) of the Federation and the port unions steadily increased throughout this period. The divisions within the Federation which had erupted in 1970 (when the Auckland and Wellington Unions refused to ratify GPO 305) had been resolved to the point that they did not reappear in bargaining. To be sure, there continued to be divisions within the Federation but these tended only to manifest themselves internally, such as in precluding the formation of a national union. And, as we shall see, any internal divisions of this type within the Federation did not impinge on "the external sanctions it . . . [brought] to bear on employers in negotiations" (Fox and Flanders 1969:155). In general, the local autonomy of the individual port unions did not manifest itself in a way that sapped the Federation's 'external strength', and the threat of one of the port unions 'breaking away' was greatly diminished.

This external strength of the Federation was reflected in the perpetuation of negative attitudes towards compulsory arbitration (until it ended in 1984) and the Tribunal (until it was abolished in 1986). Throughout this period, the Federation opted for direct action in preference to arbitration. The wielding of a strike threat at the national level continued to form the background to negotiations for General Principal Orders. The Federation drew on a stable, experienced membership to make judicious use of industrial action which resulted in significant gains in wages and conditions being achieved. As we shall see, the Federation was at the forefront of the attempts by unions to challenge the wage controls imposed by successive Governments during the 1970s.

The other crucial facet of the Federation's strategy during this period was to attempt to capitalize upon, and accentuate, the divisions within the employers' camp. Following containerization, it became increasingly difficult for the

employers to organize and get agreement regarding the manner in and level at which bargaining should take place. In this context, the port unions and the Federation 'picked off' individual employers through Principal Orders negotiated at the level of the firm which bid wages and conditions well above the minimums enshrined in the GPO. In effect, this allowed the Federation to play off the Port Employers Association, which attempted to hold the line, against individual employers who were willing to enter into special agreements and to make concessions in order to achieve some desired outcome (typically improved vessel turnaround times).

The Federation's judicious use of industrial action (which was built upon reasonable unity among the port unions), coupled with employer disunity which allowed the unions to 'pick off' individual employers, was central to the Federation's success in terms of wages and conditions. It was this dynamic of union strength and employer weakness which characterized industrial relations on the waterfront during the 1970s and for much of the 1980s.

(2.2) The Employers

The main problem that the employers, collectively, were faced with in this period was increasing employer disunity. Much of the strategy of the main employers' organization was focused on attempting to overcome the problems that this disunity posed with respect to bargaining. As we shall see, this hinged on seeking to legally restrict the right of individual employers to strike agreements with port unions and the Federation, and on the formation of a new and more unified employers' organization.

In Chapter 9, I provided a discussion of the sources of the disunity amongst employers, which in this section I will only briefly revisit. One of the possible outcomes of technological change within an industry is that the workforce

becomes 'segmented'. This employer strategy hinges upon 'investing' in workers with firm-specific skills and fragmenting labour (as a control strategy). But rather than the waterfront employers segmenting the workforce after containerization, the employers' organization itself became fragmented.

The key point is that the developments in ownership and control, which I outlined in Chapter 8, impeded the ability of the employers to organize. To recap, containerization led to a fragmentation of interests (and actors) at the economic level. Rather than resulting in widespread vertical integration (wherein one type of large hierarchically organized firm dominated the market), technological change in the form of containerization also gave rise to a parallel process of 'vertical disintegration'. This process resulted in a proliferation of different types of organizations: as well as large and small shipping companies (which had always operated on New Zealand's waterfront), there emerged container terminals owned by harbour boards, large independent stevedoring companies, and small 'hybrid' stevedoring companies - all of which had distinct sets of interests.

The employers found it increasingly difficult to organize for the purposes of collective bargaining, given the new types of employers, firms, and organizations which emerged in the wake of containerization. By the early to mid-1970s, as new corporate actors entered the field, the Port Employers' Association was becoming increasingly unrepresentative of the employers within the industry. The previously existing principal split between the overseas and coastal shipowners, although it still existed within the PEA, was giving way to a more complex and fragmented set of divisions. These divisions were located both within the PEA, and also existed between this organization and the other actors and organizations which were involved in negotiating with watersiders. Within the PEA, a division emerged between the shipping companies and the stevedoring companies. External to the PEA, and reflecting this latter division, the New Zealand

Stevedoring Employers Association (which represented stevedoring companies that operated outside container terminals) was set up in 1978. Similarly, the Container Terminal Operators Association had been formed in the early 1970s and conducted its own negotiations for the container terminals agreement.

In total, there were four main sets of corporate actors and interests, and while they overlapped they were distinct in the sense of having their own organizations: shipping companies (conventional and container, coastal and overseas), which were represented through the Port Employers Association; stevedoring companies that carried out conventional and container work outside of container terminals, which were represented by the New Zealand Stevedoring Employers Association; container terminal operators that performed the stevedoring in container terminals, which were represented through the Container Terminal Operators Association; and harbour boards which were represented through the Harbour Board Employers Union.

The principal lines of division mirrored the different types of companies. Because stand-alone container terminals developed, there emerged a distinct set of interests along these lines (which would not have occurred if vertical integration had taken place). This produced a division between the container terminal operators and the shipping companies (to the point where the former attempted to marginalize the latter within the realm of bargaining). Similarly the emergence of large independent stevedores (as a result of vertical disintegration) led to another distinct set of interests emerging, which were not entirely consonant with those of the shipping companies. Also, there was a split between harbour boards and container terminal operators (even though three of these latter were themselves harbour boards), and between the conventional stevedores and the container terminal operators.

This fragmentation of economic interests, in turn, made it difficult for the employers to unite at an organizational level for the purposes of industrial relations. This difficulty was exacerbated by the fact that these actors had access to the same legal machinery as the Port Employers Association in making agreements with port unions and the Federation. In effect, this was a problem in securing 'externalization', whereby authority in industrial relations is delegated by firms to an external organization. Externalization presupposes, to use the words of Fox and Flanders, "industry-wide organizations powerful enough to impose their decisions on their members" (1969:151). During the 1970s, the waterfront employers simply did not have an industry-wide organization which incorporated all employers. Moreover, the PEA could not force 'externalization' in industrial matters upon individual employers (and indeed could not even force firms to join it). Individual companies were free to make agreements with port unions and the Federation. The fragmentation in bargaining that this resulted in was a continual source of frustration to the PEA throughout the 1970s.

As I indicated in the section on union strategy above, the fragmentation of bargaining which resulted served to strength the Federation's hand. Particularly during the 1970s, the Federation used special agreements negotiated with individual employers to good effect, both to play employers off against each other and then to undermine the PEA in negotiations at the national level for General Principal Orders. The employers' strategy in response to the upsurge in special agreements was twofold. First, the PEA sought legislative change in order to restrict the right to make industrial agreements to a registered employers' organization. But when this effort was unsuccessful, the PEA attempted to construct a new united employers' organization to bridge the diverse sets of corporate actors. As a result of this effort, the New Zealand Association of Waterfront Employers (NZAWE) was formed in 1982. Although this new organization was more militant than the Port Employers Association, NZAWE

had to attempt to reconcile the different (and often competing) interests within the organization. As we shall see, it had only limited success in unifying bargaining and fostering 'externalization' within the employers' camp.

(3) Bargaining Processes and Outcomes 1972-1986

This period was characterized by increasing union cohesiveness and strength, and increasing employer disunity. These differing organizational capacities, in turn, were reflected in bargaining processes and outcomes. In this section I will first deal with these processes and outcomes at the national level (which centered on negotiations for General Principal Orders), and then I will discuss the very important practice of local bargaining which co-existed alongside collective bargaining at the national level.

(3.1) National Bargaining 1972-1980

Although the waterfront operated within its own specialized industrial relations legal framework, I noted in Chapter 5 that the pattern of wage-bargaining was nonetheless influenced by the centralized wage-setting arrangements, and occupational wage relativities, within the Arbitration system generally. The breakdown of this system was brought to a head when the 1968 nil General Wage Order issued by the Arbitration Court undermined its role in setting wages (see Boston 1984:89-94; Walsh 1994). As Walsh notes:

> By the late 1960s it was clear that the traditional system of wage-fixing through the conciliation and arbitration system was no longer working. This had resulted from the proliferation of regional ruling-rates agreements and enterprise-based house agreements which had made basic award rates virtually meaningless in most key occupations. A complicated situation was made more difficult by the seven week Auckland electricians' strike of 1969. The settlement of this strike set off a rash of relativity disputes and triggered 18 months of occupational leapfrogging as different trades groups sought to restore relativity with each other. In order

> to control the unprecedented wage escalation associated with this, the Government imposed wage controls in 1971. Apart from a brief period of free bargaining in 1973, these statutory wage controls remained in effect, in one form or another, until August 1977 (1983:43).

The wage controls that the National Government established in 1971 formed a crucial part of the broader industrial relations 'climate' within which negotiations between waterfront employers and unions over wage increases took place.[1] Prior to this, the body which exercised overall control over the setting of wages, through the GWO system was the Arbitration Court. It will be recalled that the Waterfront Industry Tribunal, as a matter of course, passed on these increases to watersiders (often during the course of a General Principal Order). However, after the passing of the first round of wage control legislation in 1971 the Arbitration Court was displaced as the body which controlled wages, and this role was taken over by the Remuneration Authority.

In 1972 GPO 305 was renegotiated through the National Conciliation Committee.[2] Although these negotiations began at a time of incomes control, they were eventually settled in a 'window' period of unrestricted wage bargaining in 1973.[3] The outstanding issue in this bargaining round, from the Federation's standpoint, was an increase in the basic hourly rate of pay. It will be recalled from Chapter 5 that a two day national stoppage, and numerous local stoppages and go slows at the port level had occurred in 1971 to try to force a wage adjustment from

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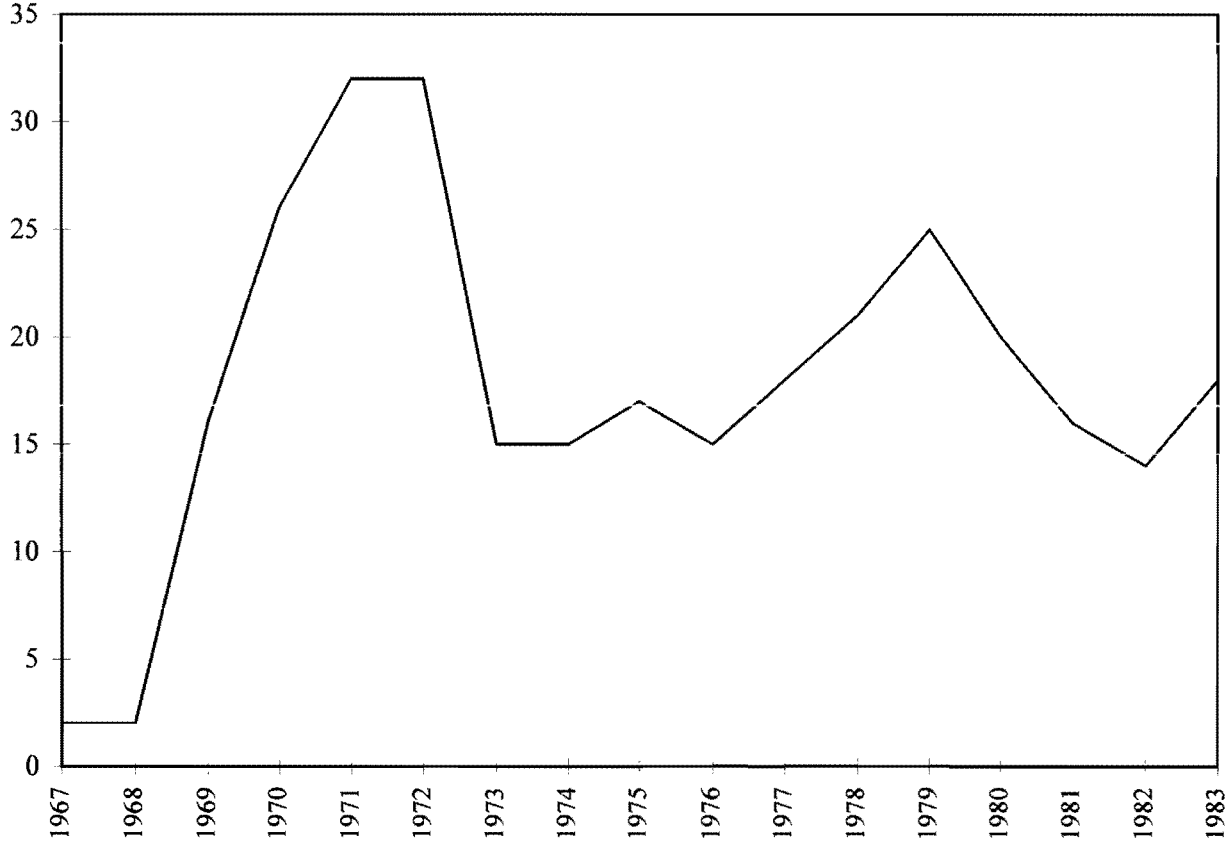
[1] Boston (1984:8-9) states that "significant inflationary pressures in the labour market", coupled with the "Arbitration Court's loss of status in 1984", led to the imposition of wage controls. He continues: "The then National Government of Sir Keith Holyoake sought to reach agreement with the union movement on a programme of wage restraint, but these efforts were not successful. Unwilling to adopt deflationary monetary and fiscal policies, the Government chose instead in March 1971 to impose statutory wage and price controls. These measures, which were introduced by means of the Stabilization of Remuneration Act (1971), limited wage increases to a maximum of 7 percent and prevented wage rates from being re-negotiatated within 12 months of the previous settlement (the so-called 12 month rule)" (Boston 1984:9).

[2] GPO 305 expired on 31 March 1972.

[3] Norman Kirk's Labour Government, which assumed office in November 1972, eliminated wage controls from December 1972 until August 1973, wherein a period of unrestricted wage bargaining existed (see Boston 1984:19).

Graph 11.1 Number of Stoppages 1967-83



the employers. Then, in February 1972, just prior to the renegotiation of GPO 305, the Federation directed all of the port unions to refuse to work on Waitangi Day, which resulted in the loss of 53,148 man-hours (WIC Report 1972:95).[4] Graph 11.1 registers the increase in the level of stoppages.

Despite this industrial action, the Federation met only limited success. One executive member recommended accepting an interim agreement, stating that: "Neither of the alternatives - confrontation or arbitration at this particular stage - appear attractive."[5] As the Waterfront Industry Commission's 1972 annual report noted: "after lengthy negotiations it was agreed that existing provisions should be extended to 31 December 1972 as an interim agreement" (WIC Report 1972:19). Under this agreement watersiders received an increase in meal money only. However, when GPO 347 was finally agreed to in April 1973, after the lifting of the wage controls, the Federation *inter alia* secured an increase of slightly more than 7% in the basic hourly rate.[6]

Also in 1972 the agreement that applied to the container terminals at the ports of Auckland, Wellington, and Port Chalmers was renegotiated. It should be noted that the Port Employers' Association was not involved in these negotiations. Rather they were conducted by the Container Terminal Operators Association (CTOA), although the PEA Management Committee did attempt to liaise with the operators. Although the terms of this agreement provoked a one day stoppage at the Auckland terminal late in 1972, the agreement was relatively favourable. To be sure, the container terminal employers received concessions including greater ability to work in wet weather, an increase in the period that watersiders could be

[4] Waitangi Day celebrates the anniversary of the signing of the Treaty of Waitangi in 1840. The port unions observed this as an unauthorized holiday.
[5] Minutes of Waterside Workers Federation Executive Meeting, 30/8/72. New Zealand Waterfront Workers Union Records, 92-305, Box 12/7 (Alexander Turnbull Library, NLNZ).
[6] This agreement also had incorporated into it retrospectively the voluntary redundancy agreement which was settled in June 1973 (see Chapter 9).

rostered to terminals, as well as extended shift work provisions which made it "possible to work a container ship for 21 hours continuously throughout the day" (WIC Report 1973:20). But these concessions were purchased *inter alia* at the cost of increased special rates and shift allowances, along with increased efficiency payments and equity payments (ibid:20). The Container Terminal agreement which was settled in 1972, because of the wage increases it contained, had to be agreed to by the Remuneration Authority (which gave its consent).

Although GPO 347 was settled during a period of unrestricted wage bargaining, this latter ended in August 1973 when the third Labour Government reintroduced wage controls.[7] Boston (1984:136) writes that: "The Economic Stabilization Regulations (1973) marked the beginning of four years of continuous statutory control of wages and prices in New Zealand." The economic situation was exacerbated by spiralling inflation, and the impact of the Oil Shocks, and in July 1974 these regulations were "replaced with the Wage Adjustment Regulations. These provided for free wage bargaining up to a maximum of 2.25 percent, with provision for extra amounts to be awarded on productivity grounds" as well as six monthly cost-of-living orders (Boston 1984:9).

The watersiders were at the forefront of the union movement's challenge to the 1974 wage controls. An article in the National Business Review at the time announced that "New Zealand's 8000 waterfront workers will provide the first real test to the government's wage controls when they start new wage negotiations this week."[8] The approach that they took was to become characteristic of the challenges to the wage controls over the next several years. As Walsh (1993:183)

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[7] Boston (1984:9) writes of this period: "By August 1973 wage rates were escalating rapidly in various sectors of the economy, spurred on by unstable wage relativities and by tight labour market conditions. Against a background of leap-frogging wage claims, the Labour Government felt obliged to intervene and restore stability."

[8] 'Watersiders' Wage Package Unwraps Birthday Pay Claim', *National Business Review*, 22/5/74. It should be noted that there were in fact just over 6300 registered watersiders, not 8000 as the article states.

notes, "The various tribunals continually faced claims by various groups, often union-employer alliances, asserting their urgent need to restore a long-held, often mist-shrouded, but always sacred relativity with another group". In the watersiders' case it was parity with building tradesmen that was sought.

With respect to the system of occupational wage relativities, Boston (1984:61) notes that "one of the main trend-setter awards in the 1960s and early 1970s was the Building Trades Award (carpenters)." It will be recalled that, since a ruling of the Tribunal in 1962, watersiders' basic hourly rates had kept in step with those of building tradesmen, and the Port Employers' Association accepted this arrangement as part of the system of occupational wage relativities which prevailed generally. However GPO 305, which was settled in 1970, departed from this principle as part of the trade-off against the introduction of the 'permanent' 40 hour paid week. In 1974 the watersiders sought in earnest to re-establish their wage relativity with this occupational group.

Under the wage control regulations a General Wage Order of 9 percent was issued by the Government in July 1974, with unions being permitted to agree to a maximum of 2.25 percent wage increases above this (Boston 1984:147). Any increases above this amount had to be agreed to by the Industrial Commission.[9] However, just as waterfront unions and employers were not previously within the immediate jurisdiction of the Arbitration Court, because of the existence of the Waterfront Industry Tribunal they were not governed by the Industrial Commission.[10] The National Business Review at the time stated that:

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[9] The Industrial Commission, which had the task of ruling on disputes of interest, was one of two bodies established under the Industrial Relations Act 1973 (the other being the Industrial Court, which dealt with disputes of rights).

[10] This is because the previous wage regulating authority, the Wages Tribunal, was a specifically constituted body which regulated wage claims (and had authority over all industries). However, in 1974 when this institution was abolished, the various industries returned to being subject to their own industrial courts, which in the case of the waterfront was the Waterfront Industry Tribunal. (The waterfront was subject neither to the Industrial Court or the Industrial Commission.)

> the watersiders, unlike most of the country's unions, will not have to take any pay settlement before the Industrial Commission for its ratification if the settlement exceeds 11.25 per cent. . . . The Waterfront Industry Tribunal . . . will now have to interpret the new pay control regulations for itself while the Industrial Commission does it for most of the rest of the country's unions.[11]

In the 1974 GPO negotiations the WWF sought, as well as a substantial wage increase, a decrease in the length of the working day.[12] The PEA initially tried to keep the unions to the 11.25% limit, but in protest the port unions participated in a national stoppage for one day.[13] Under the pressure of industrial action, in August 1974 the Federation and the PEA agreed to a 16.63% increase in the basic hourly rate and, via the National Conciliation Committee, applied 'by consent' to the Waterfront Industry Tribunal to have a new GPO registered which would contain this provision. However in a bold move the Tribunal, citing the Government's wage regulations, subsequently decreased the wage claim to 11.25%. As a result of the Tribunal's decision, General Secretary Ted Thompson was prompted to comment at the Federation's conference in 1974 that:

> the Tribunal has, in our view, in an autocratic manner misinterpreted the meaning and intention of the Wage Adjustment Regulations 1974. . . . The Tribunal in its Memorandum again as it has often done in the past makes gratuitous insults to the Federation. This is a pattern to which successive advocates have been subjected to [sic] previously and in the absence of any tangible reason we attribute this latest outburst to senility.[14]

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[11] *National Business Review*, 19/6/74.

[12] This accords with the approach of unions generally at this time. Boston (1984:151) notes that "the controls on wage rates led union negotiators to give more emphasis to improving non-wage benefits and supplementary payments of one kind or another".

[13] This was a significant stoppage which resulted in the loss of some 66,236 man-hours. It occurred at all ports where permanent conditions of employment existed (WIC Report 1974:92).

[14] Minutes of Waterside Workers Federation Conference, 21/10/74. New Zealand Waterfront Workers Union Records, 92-305, Box 14/3 (Alexander Turnbull Library, NLNZ).

In its newly assumed (non-arbitral) wage-fixing role, the Tribunal undoubtedly faced the same problems as the Industrial Commission, particularly when it sought to overrule an agreement which had been reached between the Federation and the waterfront employers.[15] This pressure was evident when the Federation and the PEA, through the National Conciliation Committee, lodged the claim for the wage increase again - this time with more success.[16] Undoubtedly due to such pressures, the Tribunal relented and granted an increase that was approximately 2 percent higher than the maximum allowed for in the regulations (WIC Report 1974:20). The document containing this wage increase was subsequently registered as GPO 357 by the Tribunal in October 1974.[17]

The Federation, in securing the cooperation of the PEA, overcame some of the problems associated with the wage regulations and forced the Tribunal to back down from the stand it had taken. But because of the wage controls, watersiders did not regain full wage parity with building tradesmen.[18] This marked a low point in the Federation's attitude towards the Tribunal. President Ray Fergus commented that: "This body continues to be seen by our members as one which cannot be relied upon to give any real degree of equity and justice to our members."[19] The continuing antipathy of the port unions to the Tribunal, and

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[15] As Boston notes, "In September 1974 the FOL President [Tom Skinner] claimed that the Commission was applying the Regulations too rigidly . . . . He also contended that if the Commission continued to decline wage agreements reached between unions and employers it would quickly lose the confidence of the labour movement and suffer a similar fate to the Remuneration Authority" (1984:150). More generally, Boston insightfully observes that "It was unfortunate that the Industrial Commission, which was supposed to be an arbitral body, was given the additional task of enforcing the Government's pay policy. For one thing, the functions of arbitration and stabilization are analytically distinct and are difficult to combine in one organization. For another, an arbitral body will quickly lose the confidence of the union movement if it acquires the image of a pay-control agency" (1984:151).

[16] Regulation 7 of the Wage Adjustment Regulations allowed for a wage increase above 11.25% to be granted in cases where 'serious anomalies' existed (Boston 1984:150).

[17] Through an agreement previously reached between the Federation and the PEA in the National Conciliation Committee, GPO 357 also provided for *inter alia* annual holidays to be increased by three days, for increased meal allowances, and for alterations to the incentive bonus scheme which were beneficial to registered watersiders (WIC Report 1974:20).

[18] Full wage parity was not regained until 1979 (see below).

[19] Minutes of Waterside Workers Federation Conference, 21/10/74. New Zealand Waterfront Workers Union Records, 92-305, Box 14/3 (Alexander Turnbull Library, NLNZ).

their preference for direct negotiation and strike action over compulsory arbitration, was expressed by a representative of the Auckland Union (P. Leneghan) in the following manner: "we should withdraw from the Tribunal and do direct negotiations with the Port Employers on wages and conditions."[20]

As I noted above, as well as the GPO, there was another major agreement which was renegotiated - the container terminals agreement. Although this latter agreement had been established separately by the 'Davison Award', and was renegotiated separately by the Federation with the container terminal operators, and not the PEA, the two agreements were linked. There was a 'trigger mechanism' contained in the container terminals agreement which automatically passed on wage increases incorporated in the GPO to container terminals. There was also the potential for features of the container terminals agreement (such as those relating to shift work) to be passed on to watersiders who worked on the conventional wharves. Thus there was good reason for the two groups of employers to cooperate in negotiations. The CTOA was represented at GPO negotiations. The CTOA, however, would not allow the PEA to control their negotiations, but accepted that this latter organization could be represented at the container terminal negotiations.

The container terminal agreement contained provisions which were very advantageous to watersiders. The container terminals proved to be very lucrative to the harbour boards in particular, and they were prepared to pay for the 'flexibility' to operate them.[21] Indeed the Auckland Union's President, Jack Clare, was prompted in 1974 to claim that: "We have the highest manning in the

[20] Ibid.

[21] By 1983, at the three ports where harbour boards operated container terminals (Auckland, Lyttelton and Otago), container terminal operations represented the greatest individual source of income to the harbour boards in question (see MOT 1984:254).

world for our container complex."[22] Whether Clare's claim was correct is uncertain, but it definitely was the case that the terminals had high levels of manning and very good wages and conditions. Ted Thompson, who was the Federation's General Secretary at this time, made the following comment in an interview:

> We negotiated very, very good conditions for them. Not immediately, but not too long after they . . . had a thirty hour week. And actually [they] had even less hours than that, a four day week, four days on and two off.[23]

The different conditions of work undoubtedly provoked some resentment amongst watersiders at the ports where the container terminals were located. Ron Wasley, the President of the Lyttelton Union, commented at the Federation conference in 1974 that: "in container ports there are two classes of workers. The specialists at the complex are working shorter hours than the conventional ship workers."[24] But, as I argued in the previous chapter, the unions had largely forestalled the emergence of a segmented workforce by securing the rotation of workers through the terminals. Furthermore, any divisions within the rank and file that the unions

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[22] Minutes of Waterside Workers Federation Conference, 21/10/74. New Zealand Waterfront Workers Union Records, 92-305, Box 14/3 (Alexander Turnbull Library, NLNZ).

[23] The Container Terminals agreement contained provisions for two 7.5 hour shifts, together with a third shift of 6 hours if required. Watersiders rostered to the terminals worked four days on and two days off. The four days worked were from Monday to Saturday (although if one of the days worked was Saturday the shift length was reduced to 7 hours). Provision was also made for work on Sundays on a voluntary basis (again with two 7 hour shifts). The pay rates were time and a half for shifts on week days, double time for Saturday shifts, and 2.5 times the base hourly rate for Sunday shifts. A circular produced in 1980 by the Federation for its members explained the shift system thus: "There are in fact 3 groups of workers - one group works the first shift for 4 days. One group works the second shift for 4 days and the third group is having 2 days off. This means that for the 6 day working week at the Terminals each individual worker will normally work 4 days of 7.5 hours - [a] thirty hour week. If his week includes a Saturday, and this will happen 4 times out of 6, the Saturday Shift of 7 hours reduces his week to 29.5 hours. If a Sunday is worked . . . the payment is very high . . . . [Sunday work] is generally accepted by all the workers even though it is voluntary for the individual, it is done by the workers who worked on the Saturday (the day before) and does not figure in the normal working week . . . . [I]t is optional, extra, over and above the normal routine. The inclusion of a Sunday makes the greatest total of hours any Terminal worker could work 36.5 but increase his wages by about 40%."

[24] Minutes of Waterside Workers Federation Conference, 21/10/74. New Zealand Waterfront Workers Union Records, 92-305, Box 14/3 (Alexander Turnbull Library, NLNZ).

experienced after containerization were slight in comparison to the problems that the employers faced in getting unity within their ranks. As we shall see, the employers became increasingly fragmented.

In 1975, just ten months after GPO 357 had been settled, a new GPO (Number 365) was negotiated. These negotiations, as in the preceding round, were constrained by the Wage Adjustment Regulations 1974. Under these regulations wage increases were restricted to 2.25%, and the Industrial Commission awarded two cost-of-living orders during 1975 (Boston 1984:147).[25] The Federation achieved this 2.25% increase in the basic hourly rate, as well as in special rates and incentive contract rates. Although in this round of bargaining the Federation appears to have held in abeyance its attempts to regain parity with building industry tradesmen, it did achieve some improved conditions of employment, including an increase in annual holidays.[26]

The following year, in 1976, the General Principal Order was renegotiated. Once again, the Federation confronted the wage controls. But this time there was a concerted campaign led by the Federation of Labour to defeat these controls. As Boston (1984:164) points out, "By the end of 1975 a statutory incomes policy had been in force for much of the previous five years with only a short reprieve during the initial stages of the third Labour Government." Understandably, the unions were "becoming increasingly restive under the shackles of enforced restraint and there were growing pressures within the union movement for a return to free collective bargaining" (ibid:164). However the incumbent National Government continued the wage controls regime, albeit in amended form, of the previous

[25] The first of these cost-of-living orders, which provided for a 4% increase, was granted during the currency of GPO 357. The second of these orders, which provided for an 11 cent per hour increase in the hourly rate, was incorporated into GPO 365 (WIC Report 1975:19).
[26] See WIC Report (1975:19).

Graph 11.2 Man-Hours Lost 1972-87

Labour Government (ibid:165).[27] The most significant amendment was that the Government imposed a twelve month wage freeze in May 1976. As Boston (1984:170) notes, "the union movement responded bitterly to the wage freeze", and it set off a flurry of industrial action coordinated by the Federation of Labour.[28] The port unions participated in these stoppages, which on the waterfront took the form of a series of unauthorized stopwork meetings.

Although the Government made a concession and revised its regulations to allow wage increases in 'exceptional circumstances', this process was impeded by the fact that "in order to make an application to the Industrial Commission for a wage increase, a union had to secure the support of the relevant employer(s)" (Boston 1984:173). The employers refused to make joint applications for wage increases until an 'exceptional circumstance' was defined by the Industrial Commission (ibid:173). "The union movement, angered by the apparent attempt of employers to engage in delaying tactics, responded by mounting a vigorous campaign of industrial action. Indeed the winter months of 1976 witnessed a large number of strikes in many sectors" (ibid:173). The watersiders were actively involved in this campaign which resulted in 24 hour strikes at a number of ports in July of that year. The watersiders also engaged in industrial action in relation to their own negotiations for a new GPO which were proceeding at the same time, most notably in the form of a one day national strike which occurred in August and then another in September. Graph 11.2 registers this increase in the level of strike activity.

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[27] Boston argues that "the incomes policy pursued by the National Government during its first 20 months in office had much in common with that of the Rowling [Labour] Administration. The Wage Adjustment Regulations (1974) were retained, though heavily amended. There were GWOs [General Wage Orders] at roughly six-monthly intervals. There was provision for exceptions for most of the period . . . . The Industrial Commission continued to administer the Regulations" (1984:165).

[28] Boston writes: "Stop-work meetings were held up and down the country and a special conference of the FOL, the first such emergency conference for five years, was held in Wellington . . . . At this conference, delegates passed resolutions calling for an immediate end to the wage freeze, a return to free wage bargaining, three-monthly GWOs, an increase in the forthcoming 7 percent ($7) wage order, and immediate adjustments in all pension payments. Moreover, the conference recommended that affiliated unions organize one-day stoppages in the main centres, and authorized Trades Councils to mount campaigns of direct action" (1984:170-1).

In the face of concerted industrial pressure from the union movement, the Employers Federation gave in. The Federation of Labour used the Drivers' Federation Award as a test case, and "After much argument, the FOL and the Employers' Federation reached agreement on a 3 percent pay rise" (ibid:173). The Industrial Commission agreed to this increase, and "soon afterwards similar increases were awarded to electricians and dairy workers. Once these groups had demonstrated the validity of their claims the flood gates were opened for others to follow" (ibid:173). At the WWF conference later that year, General Secretary Ted Thompson spoke of the:

> sordid attempt by the New Zealand Employers' Federation to deny workers the right to negotiate adjustments in wages with individual employers, an action overcome by working class support and solidarity with Federation of Labour policy. . . . The artificial instructions from Government to employers not to negotiate wages and very little else either, has taken several months of pressure by many unions and in our own case several weeks of go-slows and short 24 hour stoppages and sometimes longer ones at several ports to convince the employers that to continue to act as a handrag for the Tory Government has not been conducive to the production of profit.[29]

The new GPO (number 399), which was settled in October 1976, increased the basic hourly rate from $2.18 to $2.27, and also increased special rates and allowances. In agreeing to these increases the Waterfront Industry Tribunal took its lead from the Industrial Commission. But more than resulting in a wage increase, the negotiations in 1976 were significant in marking a new level of militancy on the waterfront, and the increased (and very effective) use of strike action on a national basis.

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[29] Minutes of Waterside Workers Federation Conference, 18/10/76. New Zealand Waterfront Workers Union Records, 92-305, Box 14/4 (Alexander Turnbull Library, NLNZ).

As well as an upsurge in strike activity on the waterfront in 1976, the new Waterfront Industry Act (which took effect in April 1977) was passed that year. This legislative change was of far greater importance to industrial relations on the waterfront than the Industrial Relations Act which had been introduced by the Labour Government in 1973. As I noted in Chapter 5, this latter piece of legislation was largely intended to regulate informal second tier bargaining. Brosnan et al. write that:

> this Act attempted to accommodate and regulate the growth of free bargaining by incorporating it within the formal system. It retained conciliation, arbitration, the national award system and compulsory unionism at the hub of the system but it provided for the registration with the Court of collective agreements reached outside the conciliation process. . . . It was designed to return the focus of industrial relations to the centre and to reverse the decentralizing trends which had upset the relative order and stability of earlier years (1990:34,193).[30]

But because the Waterfront Industry Act had its own provisions for regulating 'second-tier' bargaining (which it expressly permitted), and because in everything apart from the general principles of the arbitration system (associated with union and employer registration) the provisions of the Industrial Conciliation and Arbitration Act did not apply, the effect of this new piece of legislation on the waterfront was negligible. Rather it was the Waterfront Industry Act 1976 which modified the industrial relations framework on the waterfront.

The Waterfront Industry Act 1976 was discussed in Chapter 9, and I will only briefly mention its main features here insofar as they apply to sphere of industrial relations. Under the new Act, the other main occupational groups on the waterfront (foremen-stevedores, tally clerks, and harbour workers involved in

[30] The institutional framework was also modified by the Act: "Structurally the main change was the replacement of the Arbitration Court with two new bodies, an Industrial Court (to arbitrate on disputes of rights) and an Industrial Commission (to arbitrate on disputes of interest)" (Boston 1984:129).

cargo-handling operations) were removed from the jurisdiction of the Industrial Court (formerly the Arbitration Court) and placed within the ambit of the Waterfront Industry Tribunal. The National Conciliation Committees which were constituted for the purposes of negotiating GPOs were replaced by a Conciliation Council, and the brief of Port Conciliation Committees was increased to include the other groups of workers who were brought under the jurisdiction of the Tribunal.

As I noted in Chapter 9, the Act also transformed the Waterfront Industry Commission from a non-representative body under the direction of a sole Commissioner to a representative body jointly controlled by representatives of the employers and the Federation. In order to be allocated gangs of watersiders from the labour bureaux, individual employers were required to be registered with the reconstituted Commission, and only registered employers could make industrial agreements with port unions and the Waterside Workers' Federation. Significantly, however, (and much to the Port Employers' Association's chagrin) the new Act left intact the provisions for any individual employer, as long as they were so registered, to make an agreement with a port union or the Federation.

Moreover, the new Act attempted to regulate industrial relations by providing for the appointment by the Commission of 'port inspectors' who would 'police' the waterfront to ensure that the provisions of the Act were being adhered to by the *employers*. The Commission's 1977 annual report conveniently summarizes their role:

> The duties of port inspectors are to investigate and report to the commission the extent to which registered employers of waterside workers are fulfilling their obligations under the Act, to report where the efficiency of waterside work is being impeded by the manner in which other work within the waterfront industry is being performed, and to suggest to employers and waterside workers

> means by which waterside work could be performed with greater expedition and efficiency (WIC Report 1977:8).

Port inspectors were given the power to "Enter any wharf or ship" and to "Inspect any waterside work and other work within the waterfront industry."[31] In exercising this surveillance function, primarily over the employers, undoubtedly this system was intended to eliminate practices such as spelling which (as I argued in Chapter 6) were central to the way that work was performed. Under the Section 36 of the Act, which set out the "employers' obligations", employers were expected to exercise effective supervision and to ensure that work was performed efficiently, and the Act provided for the imposition by the Waterfront Industry Tribunal of a fine of up to $1500 if employers contravened this requirement.

However the interesting point about this attempt to establish a 'surveillance model' is not what port inspectors were intended to do, but rather the fact that it did not succeed (see below), which demonstrates the ambiguity of the law as form of industrial regulation. Also, the fact that the Commission was to appoint the 'port inspectors', who would then report back to the Commission (which took the Commission out of the realm of pure administration and into that of monitoring industrial relations), foreshadowed the informal role in industrial relations as a 'talking shop' that the Commission subsequently assumed. These differences between the provisions of the Act and how they were applied in practice demonstrate, and indeed the discussion of the setting of register strengths in Chapter 10 further illustrates, that the new Act functioned not as an unambiguous 'blueprint' for reworking the institutional and regulatory framework, but rather was subject to interpretation and modification in the process of its implementation.

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[31] Waterfront Industry Act 1976, Section 48(2).

The transition to the new Act was not entirely smooth, as the subsumption of the foremen-stevedores into the ambit of the Tribunal demonstrates.[32] Under the provisions of the Act foremen-stevedores (like the tally clerks, and also the harbour workers who were part of the container terminals composite workforce) were granted access to the Port Conciliation Committees and to the Waterfront Industry Tribunal to resolve disputes (of interest and of right), and the industrial agreements they were party to became Principal Orders.[33] Foremen-stevedores had previously been employed under collective agreements registered in the Industrial Commission under the Industrial Relations Act 1973. When the Waterfront Industry Act 1976 was passed, which removed them from the jurisdiction of the Commission and placed them under the Waterfront Industry Tribunal, the transposition was effected simply by taking the previous collective agreement, replacing all references to the Industrial Commission with the 'Waterfront Industry Tribunal' and then registering the agreement as a Principal Order with the Tribunal. By doing this, the personal grievance provisions in the agreement were transposed into the Principal Order. But the problem with this was that the Waterfront Industry Act 1976 did not provide for 'personal grievances'.[34] Although a 'personal grievance' was defined under the Industrial Relations Act 1973, these provisions of the Act (along with most others) did not apply to the waterfront. Thus, when foremen-stevedores began to file for personal grievances, the Tribunal was forced to rule that it had no legal jurisdiction to decide on these cases (nor for that matter did any other court in the country). This case illustrates just how different the waterfront arrangements were relative to the 'conventional' arbitration system, and also the problems associated with implementing the Act.

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[32] The details of the following example have been extracted from WIT Decision, FS.29, 22/7/85. Waterfront Industry Commission Records, W3472, Box 59, (National Archives).

[33] It should be noted that the Foremen-Stevedores Union included permanent hands and timekeepers, who were also brought under the Tribunal.

[34] The GPO did not have provisions for personal grievances either. But the Act, like the one it replaced, did allow watersiders to appeal deregistration.

The new Act resulted in a number of other unanticipated changes, not least in the employers' organization. A problem arose because, unlike the 1953 Act which it replaced, the Waterfront Industry Act 1976 made no reference the New Zealand Port Employers' Association. Instead, for reasons which are unclear, it referred to the New Zealand Waterside Employers' Association which had been registered 50 years previously under the Industrial Conciliation and Arbitration Act 1925.[35] To deal with this situation, the Management Committee of the PEA cancelled it as a registered employers' organization and in 1977 registered the New Zealand Waterside Employers' Industrial Union of Employers under the Industrial Relations Act 1973.[36] But for all intents and purposes this was the same organization as the PEA. The PEA continued to exist and dealt with financial and non-industrial matters, while the WEU dealt with industrial matters. The Management Committee of each organization was one and the same, the meetings of the Branch Committees were held concurrently, and they published a single annual report.[37] Hence this was a change in name, rather than in composition or function.

Just as unanticipated developments, such as those outlined above, occurred when the new Act was implemented, a number of anticipated ones did not occur - which further demonstrates the ambiguity of the law as a source of industrial regulation. As I noted above, the Waterfront Industry Act 1976 marked an attempt to monitor and regulate industrial relations by means of a system of inspection. In effect, port

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[35] Section 63(3) of the Act, which deals with 'Transitional Provisions', states that "All references to the New Zealand Port Employers' Association . . . in any principal order in force at the commencement of this Act or in any order amending any such principal order and so in force shall, unless inconsistent with the context be read as references to the New Zealand Waterside Employers' Association Industrial Association of Employers". It will be recalled from the discussion in Chapter 2 that the Port Employers' Association, which was registered in 1949, took over the functions of the Waterside Employers' Association. It appears, however, that the registration of this latter organization was never cancelled and that when the 1976 Act was drafted reference was made to it instead of the Port Employers' Association.

[36] Henceforth I will refer to this organization by the abbreviation 'WEU'.

[37] Details of this reorganization have been gleaned from the PEA/WEU Annual Report for 1978.

inspectors were to exercise a surveillance function primarily in relation to the practices of *employers*. But it was the unions, not the employers, that vehemently opposed this inspection system and ultimately prevented port inspectors from being appointed. Although the Commission was legally empowered to appoint port inspectors, it did not do so because the Government directed it not to. The Minister of Labour attended the inaugural of the Commission in 1977 and informed the Commission that the Government did not want to appoint port inspectors.[38] The reason for this was that the Federation, and port unions, did not want them to be appointed.[39] Although it is unclear how this message was conveyed to the Government, the union representatives who were members of the Commission made the Federation's opposition to the appointment of port inspectors very clear. At one meeting, Mel Foster commented that there was no need for port inspectors to oversee industrial matters:

> If there had to be a policeman to supervise two parties who should be together there would be no show of having harmony, it would just create havoc. The only way was to bring the two parties together to at least get common ground.[40]

Rather than agreeing to appoint port inspectors, the union representatives sought to meet the employers through the Commission. At the next meeting, Mel Foster commented further: "If you had bad industrial relations on the waterfront you could forget what port inspectors could or could not do."[41] And at this meeting the members of the Commission passed a resolution for a consultative seminar

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[38] Although this was not recorded in the minutes of the first meeting of the Commission, because the Minister of Labour directed that minutes not be kept of his discussion with its members, reference was made to this by the Chairman at a subsequent meeting. Minutes of Waterfront Industry Commission Meeting 7, 21/7/77. Waterfront Industry Commission Records, W3472, Box 48 (National Archives).

[39] As well as the comments of the Chairman in the meeting referred to in the preceding note, this reason for port inspectors not being appointed was also given in the Waterfront Employers' Union Annual Report 1978.

[40] Minutes of Waterfront Industry Commission Meeting 9, 13/9/77. Waterfront Industry Commission Records, W3472, Box 48 (National Archives).

[41] Minutes of Waterfront Industry Commission Meeting 10, 11/10/77. Waterfront Industry Commission Records, W3472, Box 48 (National Archives).

between unions and employers to be held by the Commission to discuss aspects of industrial relations on the waterfront (including port inspectors). Thus the Commission, which even though it was to appoint port inspectors was not supposed to be involved in 'industrial matters', took on something of an informal role in this sphere as an industrial relations 'talking shop' for employers and the Federation.[42] This was not a legislatively prescribed function, rather it emerged informally. Indeed, the Commission's Chairman described the first of these meetings "as a forum being all embracing rather than within the confines of the Act."[43]

That the National Government (which was not noted for its sympathy to trade unions) heeded the wishes of the Federation by directing the Commission not to appoint port inspectors speaks to the degree of power that the Waterside Workers' Federation exerted in industrial matters. This is particularly the case insofar as this decision impeded the Commission's functioning, and actually cut across the purported intention of the Act (i.e. to better monitor and control the waterfront). This decision made it difficult for the Commission to find out what was going on at the port level because, in a sense, the inspectors (along with the local bureau managers) were to have acted as the 'eyes and ears' of the newly centralized Commission at the local port level. The Commission's minutes record a comment by one of its members, who represented the employers, that:

> He did not see how, as a Commission, they could be expected to see all that was going on around the country and ensure that all who had been granted registration as employers were carrying out their functions correctly.[44]

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[42] It is interesting to note that this development occurred at the same time as the Commission was attempting to 'cajole' these actors into setting register strengths (see Chapter Eight).
[43] Minutes of Waterfront Industry Commission Special Meeting, 14/2/78. Waterfront Industry Commission Records, W3472, Box 48 (National Archives).
[44] Minutes of Waterfront Industry Commission Meeting 7, 21/7/77. Waterfront Industry Commission Records, W3472, Box 48 (National Archives).

The same member commented at another meeting that: "At the moment the Commission found it difficult to get a clear picture of what was happening from one end of New Zealand to another."[45]

From my reading of the Commission's minutes it appears that the informal meetings it held between employer and union representatives achieved very little. What is important, however, is that these meetings were supposed to substitute for port inspectors, and that these inspectors were not appointed because port unions did not want them, and possessed the strength to enforce this view (which undoubtedly rested on a strike threat). This case also speaks to union strength in another sense (which will be taken up in the next chapter): the industrial strength of the port unions was mirrored in watersiders' control of work which manifested itself in the form of employer-tolerated practices such as 'spelling'. Undoubtedly one of the reasons that the unions vehemently opposed the introduction of this system of inspection was its potential to disrupt the workplace 'indulgency pattern' (Gouldner 1954). In sum, this aspect of the Waterfront Industry Act 1976 represented a failed attempt to use the law to eliminate practices which were tacitly condoned (as part of the wage-effort bargain) by individual employers.

The industrial strength of the port unions, which forestalled the appointment of port inspectors, was further demonstrated in 1977 over the case of LCL containers.[46] It will be recalled that, after a number of demarcation disputes between the port unions and the Storeman and Packers Federation at the time when containers were first introduced over who had coverage of the work of packing and unpacking containers, an agreement had been brokered by the Federation of Labour. Under this agreement, which was subsequently supported

[45] Minutes of Waterfront Industry Commission Special Meeting, 14/2/78. Waterfront Industry Commission Records, W3472, Box 48 (National Archives).

[46] LCL is an abbreviation for 'less than full container load' and such containers carry cargo belonging to more than one consignee. FCL, on the other hand, represents 'full container load' and such containers carry cargo belonging to a single consignee (see Branch 1986:156-7).

by a Royal Commission of Inquiry in 1972, LCL containers had to be packed and unpacked on the wharf by waterside workers. Although FCL containers could be packed and unpacked off the wharf, this could only be carried out at the shipper's own premises using their own labour (rather than at an agent's premises). The agreement which had previously been reached over coverage of LCL containers was subsequently encoded in the Waterfront Industry Act 1976. After the Act was passed, a number of manufacturing importers and transport operators wrote to the Minister of Labour seeking clarification of the legislation, in order both to achieve greater 'flexibility' in the unpacking of LCLs and to have FCLs devanned at an agents' premises.[47] In April 1978 the Minister of Labour wrote the following reply to a letter by the Secretary of the Transport Advisory Council:

> In the short term we are bound by the practice of devanning LCL containers on the wharf as has become customary and followed on from the recommendations of the Royal Commission into containers. There are only two ways in which this situation could be changed rapidly, either (1) By the initiation of a full-scale confrontation with the waterfront unions and conceivably the greater part of the trade union movement, or (2) By allowing the waterfront unions to extend their coverage and take their conditions off wharf.[48]

However, in soliciting suggestions from various groups as to how greater flexibility in the packing and unpacking of containers could be achieved, the Minister of Labour made very clear that neither of the preceding alternatives were considered viable by the Government.

In 1974 a journalist wrote in the National Business Review that the Government was trying to "keep the worker aristocrats within the wharf gates."[49] Although it

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[47] Copies of these letters are contained in a file of Waterfront Industry Commission records. Waterfront Industry Commission Records, W3472, Box 53, 5/605 (National Archives).
[48] Letter from J. Gordon to E. Williams, 11/4/78. Waterfront Industry Commission Records, W3472, Box 53, 5/605 (National Archives).
[49] *National Business Review*, 19/6/74.

refers to watersiders pejoratively, there is more than a grain of truth to this claim. The Government's approach during the 1970s increasingly became one of *containment* - attempting to prevent watersiders' wages and conditions from moving beyond the wharves. Indeed, as the Waterfront Industry Commission itself noted, the definitions of waterside work contained in the Waterfront Industry Act 1976 were "designed to ensure that waterside conditions do not flow on to other workers outside the wharf limits" (WIC 1977:6). Moreover, in the context of the militancy and strength of the port unions, the Government sought at all costs to avoid provoking a major confrontation with the Waterside Workers Federation.

As these examples demonstrate, the Government clearly recognised the industrial strength of the watersiders. Other examples abound at the port level, where employers tolerated informal practices, as part of the 'indulgency pattern', in the interests of industrial harmony. A good example is that of pillaging. In 1974 the Managing Director of a company that manufactured leather goods wrote to the Minister of Labour complaining that boxes of tools had been stolen from its containers on numerous occasions. In the letter, it was claimed that the company had complained to the stevedoring company in question (the New Zealand Express Company) and threatened to make a formal complaint to the police. Apparently a representative of the stevedoring company replied: "For goodness sake, don't do that. There is harmony on the waterfront now, don't upset it."[50] Other such examples abound in the records of the Waterfront Industry Commission. What they demonstrate is the degree of control that the port unions exerted over the waterfront both at a national level, and at the local port level.

The Federation continued to make considerable gains in wages and conditions throughout the latter half of the 1970s. This was particularly the case when the

[50] Letter from the Managing Director of C.B. McCrean Leather Merchants to Minister of Labour, 26/11/74. Waterfront Industry Commission Records, W3472, Box 53, 5/608 (National Archives).

wage controls were finally lifted in August 1977. The General Principal Order was renegotiated in 1977 (GPO 407), in 1979 (GPO 428) and in 1980 (GPO 444). Each of these rounds of negotiations involved strike action by the port unions, most significantly in 1980 when two 48 hour national strikes occurred. And each of the resulting agreements contained a substantial wage increase. Most significantly, the abolition of the wage controls led to the reinforcement of occupational wage relativities (see Walsh 1993:184), and in the 1979 GPO negotiations watersiders regained wage parity with building tradesmen. Because of the 'trigger mechanism' which linked the GPO and the container terminal agreement, the wage increases secured in each of these bargaining rounds were automatically passed on to watersiders in the container terminals. Furthermore, in GPO 444 the Federation secured the abolition of casual labour which had previously been used to supplement the registered workforce (see Chapter 10).

However the considerable gains in wages and conditions that the Federation made throughout the 1970s were a product not only of its industrial strength and bargaining power, but also of employer disunity which the Federation and the port unions exploited. Part of the Federation's success in bargaining in this period was a result of the way in which it effectively used decentralized bargaining, particularly Principal Orders negotiated with individual employers, to fragment the employers collectively. Indeed, as we shall see in the following section, the latter part of the 1970s was characterized by the unions playing off employers against each other by means of special agreements, in order to achieve significant gains at both the local and national levels.

(3.2) Local Bargaining 1972-1980

During this period there was a re-emergence of the 'stable balance' with respect to bargaining at the national and port levels which, until the difficulties of securing consent from the larger unions to introduce GPO 305 in 1970, had existed in the

1950s and 1960s. The records of the Waterfront Industry Tribunal indicate that the negotiation of the General Principal Order and Supplementary Principal Orders were largely re-synchronized. As in the previous period, there appears to have been considerable cooperation between the Federation and the PEA over the order and manner in which negotiations at the port level (for SPOs) took place. Typically, after a new GPO had been settled negotiations for SPOs and the container terminals agreement would be commenced. In the Federation's camp there were no instances of unions breaking ranks, via local bargaining, as the Auckland Union had done in 1970. However, the Federation accommodated some of the larger unions - like Auckland - by allowing negotiations over local conditions to precede national negotiations.

If the Federation managed to reunite and to present a united front to employers, at least in the realm of bargaining, the employers were increasingly wracked by internal divisions which manifested themselves in bargaining practices. Although this disunity did not manifest itself in bargaining at the port level (for SPOs), it was apparent in bargaining at the level of the company and the site. In the discussion which follows I will demonstrate how, throughout the 1970s, the port unions 'picked off' individual employers by securing special (second-tier) agreements which the Federation then used as a precedent for seeking similar conditions to be incorporated in the GPO. While the GPO still formed the foundation of the Federation's bargaining position (by taking wages out of competition downwards), these 'satellite' agreements were 'levered off' the GPO for better wages and conditions, which then formed the basis for claims made in subsequent negotiations at the national level. These special agreements helped strengthen the Federation's bargaining position, but the employers who entered into them made concessions which the Port Employers Association regarded as undermining the employers' collective interests.

To recap, technological change in the late 1960s led to the diversification (and fragmentation) of employer interests. The key point is that vertical disintegration (and the other developments in ownership and control which I outlined in Chapter 8) impeded the ability of the employers to organize. This problem was compounded by the fact that these diverse actors had access to the same legal machinery as the national organization in order to negotiate agreements with the port unions and their Federation. Significantly, individual firms had the right to make such agreements.

The problem that the Port Employers Association faced was that, although it was a centralized association, it could not force employers to join nor could it even veto special agreements made between its own members and port unions. The Federation on the other hand, although it was not a centralized national union as such, managed via an amendment to its rules to limit the freedom of port unions to make local agreements.[51] In the main, it appears that the port unions abided by these rules. Despite being a loose national organization comprised of independent port unions, each with a considerable degree of local autonomy, the Federation was therefore more successful than the PEA at achieving an 'externalized' mode of action.

In 1973, when the revision of the Waterfront Industry Act was being considered, the PEA made submissions that all 'employers' of waterfront labour should be registered and, moreover, that only registered employers *who belonged to the PEA* should be allowed to negotiate agreements with port unions.[52] But this attempt by the employers' organization to influence the amendments to the Act was

[51] In 1976, Clause 27 of the Federation's rules was amended to read that each affiliated "Union shall conduct its own local business" but "Agreements covering conditions of employment shall be referred to the Federation for consideration and approval prior to adoption by the particular affiliated Union."

[52] PEA Annual Report 1973. Port Employers Association Records, 89-395, Box 130 (Alexander Turnbull Library, NLNZ).

unsuccessful. Although the Waterfront Industry Act 1976 required that employers be registered by the Waterfront Industry Commission before they could be allocated labour from the local labour bureaux, it did not (as the PEA had wanted) restrict the right of individual employers to strike agreements with port unions, which could then be registered with the Waterfront Industry Tribunal. Under the 1976 Act, like its precursor, any association and any *registered* employer could enter into an agreement with a port union.[53] An examination of the Commission's minutes shows that any direct employer, defined by employment of foremen-stevedores and thus having the ability to exercise supervision over watersiders, was automatically granted registration. For companies that employed foremen-stevedores registration was therefore simply a formality, and was extended to many companies that did not belong to the PEA. Furthermore, as one of the cases below shows, registered employers became increasingly subject to pressure from shippers to secure special agreements. Thus non-direct employers could get special agreements to work cargo via their chosen (registered) stevedoring company.

As I demonstrated in Chapter 5, local agreements in the form of Principal Orders negotiated between port unions and individual firms, at the level of the company or site, had always existed during the 1950s and 1960s. But these flourished in the mid-to-late 1970s primarily in response to different companies seeking a competitive edge using new technology. This often took the form of introducing a new type of vessel that combined the already existing container technology in a new way (the 'Strider Class' vessels mentioned below are a good example). The cost of time in port for these (very expensive) vessels was usually considerably

[53] Section 18(1) of the Waterfront Industry Act 1976 states that "Any union or association or employer may at any time apply to the Tribunal on a form provided by the Tribunal for a principal order or other order." This is further elaborated to include only registered employers by s 34(3) which states: "No person (other than a registered employer of waterside workers) shall be entitled to enter into an agreement with any waterside workers or with any union or association of waterside workers on conditions for employing waterside workers."

greater than for other types of vessels. In the satellite agreements individual companies typically made significant concessions on wages and conditions to the port unions involved in order to get their agreement to operate the new vessels under conditions which promoted faster turnaround times.

I will deal in detail with three satellite agreements negotiated in the late 1970s, not only because they illustrate very well the processes at work (particularly the divisions, cross-cutting pressures, and sectional interests within the employers' organization), but also because they were in themselves landmark agreements. The following account of these agreements has been constructed from Waterfront Employers Union (WEU) records.[54]

The first agreement I will deal with was negotiated in 1978 between Scancarriers Ltd (a shipping company) and the Waterside Workers Federation. This company operated roll-on / roll-off container vessels over conventional wharves. It did not belong to the Waterfront Employers' Union and was not registered as an employer with the Waterfront Industry Commission, instead contracting specialist stevedoring companies at the ports where it operated (Auckland, Napier and Timaru) to load and unload and unload its vessels.[55] Although ro / ro vessels were by no means new to New Zealand, the agreement which the company reached with the WWF contained a number of provisions which the WEU strongly objected to. As the minutes of one of the WEU Management Committee meetings state:

> It was . . . pointed out that there were several points in the Agreement which it was feared would set dangerous precedents and

[54] It will be recalled that in 1977 the name of the Port Employers Association was changed to the 'Waterfront Employers Union'.

[55] A different stevedoring company was contracted at each port: Leonard and Dingley (Auckland), Puflett and Smith (Napier), and D.C. Turnbull (Timaru).

> it was felt that it was unfortunate that the Agreement had been finalized without consultation with the Management Committee.[56]

For instance, the agreement provided for two drivers for each loading and unloading operation. A watersider used a tractor to tow trailers to and from the stacking point, and then a harbour worker used a forklift to lift containers on and off the trailers.[57] Also, a very favourable bonus rate was agreed to. But of greater concern was the shift arrangement. The agreement provided for a seven day week based on a shift work system akin to the one that operated in the container terminals. The Waterfront Employers Union did not oppose shiftwork as such, but rather the fact that shift payments were based on the ordinary time rate of pay contained in the GPO. It regarded this agreement as having undermined

> the intense effort which had been made last year in re-negotiating the GPO to establish two rates of pay for watersiders, the lower rate to be used for shift operations.[58]

The GPO was to be renegotiated later that year, and "concern was felt that the wording of the Scancarrier Agreement would tie shift rates to the Carpenters' rate."[59] Thus the employers organization felt that the agreement undermined the GPO, and that the Federation was gaining concessions from a single employer which would then be sought on a national basis in subsequent GPO negotiations.

However, despite their opposition to the agreement, the WEU formally could do nothing to prevent it. When the WEU refused to sign the agreement, the three stevedoring firms involved (all of whom were members of the WEU) signed it instead, and it was subsequently registered as Principal Order 412 by the

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[56] Minutes of PEA/WEU Management Committee Meeting 28, 17/5/78. Port Employers Association Records, 89-395, Box 206 (Alexander Turnbull Library, NLNZ).
[57] In effect, this provided employment for one more watersider than might otherwise have been the case if harbour workers alone had performed this work.
[58] Minutes of PEA/WEU Management Committee Meeting 28, 17/5/78. Port Employers Association Records, 89-395, Box 206 (Alexander Turnbull Library, NLNZ).
[59] Ibid.

Waterfront Industry Tribunal.[60] Once again, this demonstrates the difficulties that the employers' organization faced, given that registered stevedoring companies themselves had access to the same legal machinery as the WEU in making agreements. Furthermore, a shipping company that was not registered as an employer (and thus could not make agreements with the port unions or the Federation) could simply contract a registered stevedoring company and then apply pressure for it to make such an agreement. And the WEU could not formally prevent its member companies from doing so.

The second agreement, which was negotiated in 1978 in the wake of the Scancarriers agreement, concerned 'Strider Class' vessels. These vessels, new to New Zealand in the late 1970s, were a combination of a roll-on / roll-off vessel and a cellular container ship.[61] The vessels were owned by the Austiran Shipping Company and were to operate at the ports of Tauranga, Napier and Timaru. This company did not belong to the WEU but its agent, Seatrans Consolidated, did belong to the WEU.[62] Unlike the case above, Seatrans asked the WEU to negotiate an agreement for these vessels. But the WWF actually questioned the right of the WEU to negotiate on behalf of Seatrans. As the WEU Management Committee minutes state, "It was quite clear that the Federation preferred to negotiate direct with the stevedores."[63] Indeed, the extent of this preference is indicated by the fact that the WEU had to produce documentary evidence to prove that Austiran had appointed Seatrans as its agent, and that Seatrans had authorized the WEU to negotiate an agreement, before the Federation would enter into any negotiations.

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[60] WIT Decision 712, 26/5/78. Waterfront Industry Commission Records, W3472, Box 57 (National Archives).

[61] Strider Class vessels used a tractor-trailer arrangement for loading and unloading containers, like a normal ro / ro operation, but each vessel had its own gantry crane which lifted containers from the trailers and put them into the cell guides aboard ship, and vice versa.

[62] In this case, Seatrans Consolidated acted as the shipping agent, and another (unnamed) company was appointed as the stevedore.

[63] Minutes of PEA/WEU Management Committee Meeting 33, 7/8/78. Port Employers Association Records, 89-395, Box 206 (Alexander Turnbull Library, NLNZ).

Similarly, once negotiations did begin, the WEU had considerable difficulty in securing an agreement because the Federation sought, using the Scancarriers agreement as a precedent, that two drivers be provided per tractor unit and the same bonus rate as applied on Scancarriers vessels. The WEU Management Committee felt that conceding these conditions "would confirm the very undesirable precedents which had already been set."[64] However they were forced to agree to these conditions because Seatrans, under pressure from their clients (Austiran), were going to authorize their stevedores to negotiate an agreement directly with the Federation if the WEU could not secure an agreement. If this had occurred, these concessions most likely would have been made anyway. Within the WEU Management Committee:

> The opinion was expressed that in view of the precedent which had already been established, coupled with the suggestion that the Agents would have to give consideration to instructing their stevedores to make an agreement, the Employers' Union had to be realistic and face the fact that the precedent had already been set and there was little likelihood of breaking the situation down.[65]

As the preceding case demonstrates, the WWF successfully adopted the tactic of seeking to negotiate agreements directly with stevedoring companies, without the involvement of the employers' organization.

The third example relates to an agreement, made at the Port of Auckland in 1979, between the well-established stevedoring company of Leonard and Dingley (a long-time member of the PEA and the WEU), and the Auckland Waterside Workers Union.[66] In this case, New Zealand Steel, an exporter of steel, pressured

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[64] Ibid.
[65] Ibid.
[66] The details of this agreement have been drawn from the Minutes of PEA/WEU Management Committee Meeting 54, 5/7/79. Port Employers Association Records, 89-395, Box 206 (Alexander Turnbull Library, NLNZ).

Leonard and Dingley into an agreement with the Auckland Union to work a conventional operation under a shift arrangement at container rates of pay. This was done in order to 'buy' a quicker turnaround time from the Union. The Auckland Union then put a similar proposal to another employer, and other companies began to consider negotiating shiftwork for work on conventional wharves. In effect, the Union played one company off against another. Once again, the WEU saw this as "an undesirable precedent", particularly insofar as it had the potential to erode the differences between the rates of pay in the container terminals and on the conventional wharves. At a WEU Management Committee meeting:

> Concern was expressed that there appeared to be no way in which individual employers can be stopped from entering into such agreements, as the Waterfront Industry Act enables any registered employer to make an agreement.[67]

This is a clear example of a port user circumventing the centralized bargaining institutions, and bringing pressure to bear on a stevedoring company. Individual stevedores were, understandably, quick to heed the wishes of their clients (particularly when the former were prepared to pay the price of special agreements).[68] Les Dickson, the Chairman of the Stevedoring Employers Association, later commented that in this period there was a "proliferation of principal orders negotiated by stevedoring companies on behalf of shipping principals who were looking for a competitive edge."[69] The effects of these agreements were twofold. First, there was an upward spiral in terms of companies seeking a competitive edge being forced to offer similar conditions to those

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[67] Ibid.

[68] The shipping companies could, however, pass this cost on to the shippers. In submission's to the Ministry of Transport's Onshore Costs Study, it was noted that "Many [shippers] considered that costs to shippers had risen due to the influence that ship operators have over their client stevedores, and the ease with which they concede expensive and unnecessary terms and conditions." (MOT 1985:15).

[69] Comment in a speech to Shipping, Waterfront and Ports Conference, Auckland, 27/6/91.

contained in already existing satellite agreements. Second, although shipping companies often were willing to pay for special conditions, the satellite agreements in question undermined the attempts of WEU to 'hold the line' both in special agreements generally and in national negotiations.

The Federation and the port unions effectively exploited this situation. The case of shiftwork is instructive in this regard. A two-shift system for all ports had been proposed by the Federation in 1976, in part, as a means of combatting redundancies.[70] Subsequently, this was sought in GPO negotiations in 1976. Although an agreement had been reached with the WEU to trial shiftwork, because of a breakdown over actual terms and conditions (and partly because some port unions were not entirely enthusiastic about it) by 1982 this still had not occurred.[71] However, by means of satellite agreements, the Federation effectively got shiftwork introduced on conventional wharves, albeit on a limited scale, 'by the back door' and on very favourable terms.

Within the industrial relations literature of the 1990s, decentralized bargaining is often assumed to be an employer strategy associated with attempts to extend or to consolidate employer power. Katz notes that some theorists regard:

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[70] At the WWF conference in 1976 a resolution was passed that "instead of the present system of two minimum periods per day plus supplementary hours a proposal be drafted for the next General Principal Order setting out the basis of a regular two shift system with a minimum payment for the shift." This move represented something of a *volte-face* for the Federation in that at the time of the Waterfront Conference it had resisted the move towards shiftwork, and had only agreed to 'supplementary hours' on the basis of achieving permanent conditions of employment. In the meantime, the PEA, which had always been split on the issue of shiftwork, no longer sought its comprehensive introduction. Minutes of Waterside Workers Conference, 20/10/76. New Zealand Waterfront Workers Union Records, 92-305, Box 14/4 (Alexander Turnbull Library, NLNZ).

[71] During the renegotiation of GPO 428 in 1980, the NZAWE representatives made clear that, despite the agreement in principle reached in 1976 to trial shiftwork, they did not want to pursue this any further. A comment by the General Secretary of NZAWE, R. Benham, is recorded in the minutes thus: "From the Employers' point of view the question of shifts would mean additional supervisory staff, mechanical equipment, more workers and problems with regard to ancillary services. To date it was not known with any surety that all Employers would favour the introduction of shift work. What the Employers did not want were the same hassles experienced when supplementary hours were first introduced." Minutes of National Conciliation Committee Meeting, 4/3/80. Port Employers Association Records, 90-220, Box 26 (Alexander Turnbull Library, NLNZ).

> decentralization as a useful tool through which employers have gained bargaining power advantage. . . . Employers seem to benefit most from the ability to play plants (and local unions) off against one another - that is, to whipsaw local unions (1993:13).

But on the waterfront, where centralized and decentralized bargaining co-existed, it was the unions that used decentralization to achieve a bargaining advantage.[72] Indeed in another comment by Katz, we can substitute 'union' for 'employers' and vice versa. Thus: unions use "decentralized bargaining to gain the concessions they desire because central . . . [employers' associations] are unwilling to grant them, whereas local . . . [employers] are more willing to do so" (ibid:13). This encapsulates the strategy of the port unions, and what they achieved. They played off of one employer against another to gain better wages and conditions, and also played off individual employers against the national employers' organization. It is legitimate to alter Katz's statement in this manner because here he is writing about decentralized bargaining as a 'temporary' strategy wherein, after gaining benefits from decentralization, "employers may . . . prefer to return to centralized bargaining because of the advantages it provides (stability, predictability, and economies of scale)" (ibid:13). This temporary strategy is analogous to the port unions using decentralized bargaining parallel to centralized national bargaining.

The Waterfront Employers Union did not want unrestricted decentralized bargaining because it 'bid up' wages and conditions above the minimum levels in the GPO. The 'rachet effect' that this resulted in, with respect to wages and conditions, compromised the employers collectively. Employers were therefore caught between centralized bargaining (an 'externalized' system whereby the

[72] In this sense, the practice of decentralized bargaining on the New Zealand waterfront was comparable to a pattern documented by an earlier industrial relations literature with respect to the situation in Britain in the late 1960s and 1970s (see Fox and Flanders 1969; Batstone et al. 1977; Beynon 1977; Lane and Roberts 1971). Ironically, in the 1990s, industrial relations theorists (such as Katz) 'rediscovered' decentralization (just as the employers did).

WEU assumed responsibility for national bargaining) and decentralized bargaining whereby individual employers made deals over and above the prevailing GPO. In effect, in this period there was a breakdown on the employers side of the 'externalized' mode of bargaining, in that individual employers refused to delegate authority to the employers' organization.

Particularly after the introduction of new, increasingly capital-intensive types of vessels and operations, individual employers sought to 'purchase' productivity and to minimize disruptions to work by negotiating satellite agreements. This allowed the Federation to 'pick off' these employers. In reflecting on the pattern of decentralized bargaining on the waterfront, we can consider "bargaining structure . . . both as a reflection of the parties' relative power and as a determinant of power" (Katz 1993:13). The Federation and port unions used decentralized bargaining to further fragment and weaken the employers, thereby consolidating and increasing their own already existing (not insubstantial) industrial strength.

(4) The Employers Reorganize

Collectively the employers responded in two ways to this fragmentation. First, throughout the rest of the 1970s, the Waterfront Employers Union sought to have the legislated right of individual employers to negotiate their own special agreements removed. For instance, at one of the WEU Management Committee meetings in 1979 some members expressed the following view:

> if Government could be shown that there was indeed a single unified employer organization in existence it might be possible to persuade Government to change the Waterfront Industry Act to the extent that a unified employer organization would be the only party authorized to negotiate agreements on the waterfront.[73]

[73] Minutes of PEA/WEU Management Committee Meeting 50, 21/3/79. Port Employers Association Records, 89-395, Box 206 (Alexander Turnbull Library, NLNZ).

However this attempt to establish a legislative 'monopoly', of the type provided for labour, was unsuccessful. Their second response, as the preceding quote alludes to, was to reorganize their own representative body.

The upsurge in the number of special 'site' agreements (such as the Scancarriers and Strider class vessel agreements) was instrumental in the reconstitution of the employers' organization. The following comment contained in the 1978 WEU Annual Report, which succinctly summarizes the employers' reasons for forming a new inclusive organization, is worth quoting at length:

> In recent years with the introduction of new areas of operation on the waterfront and the appearance on the scene of new interests, services and types of vessel, we have unfortunately seen a number of sharp divisions where particular interests, not necessarily members of either our Association or [employers'] Union, have found it necessary for their own benefit to enter into agreements with workers' unions which have had unfortunate side effects on the industry in general. As Employers know to their cost, the workers' unions are adept in using concessions gained from one interest as a lever to obtain similar concessions from another. This is particularly so in relation to Container, Ro/Ro Terminal operations vis-a-vis conventional operations and vice versa. The need for an even more unified Employers' Organization controlling all negotiations with the various Waterfront Workers' Unions has consequently been well recognized for some time now. Undoubtedly it is deviation from the established pattern conditions of employment which has caused the present fragmented position which Workers' Unions are . . . so adept at exploiting.[74]

The earliest reference I can find of a proposal to form a new employer's organization is in the minutes of a Waterfront Employers Union meeting, held in March 1976, where it was resolved to organize a conference of the various interests in the industry with a view to "the possible formation of a strong

[74] PEA/WEU Annual Report 1978. Port Employers Association Records, 89-395, Box 130 (Alexander Turnbull Library, NLNZ).

employer body in the industry."[75] At this conference, which was held in April that year, it was decided to form a new over-arching employers' organization to represent the different employer interests. The extent to which this reorganization was prompted by the power the unions achieved through the fragmentation of bargaining is indicated by the following comment, made at a PEA Management Committee Meeting in 1976:

> [a] single negotiating body on the employers' side was the very thing that the Unions did not want as this would nullify most of their bargaining ability.[76]

NZAWE was formed subsequently, in 1981, registered as an employers' organization under the Industrial Relations Act 1973, and then it took over the WEU's responsibilities as the official employers' organization in July 1982 (see Chapter 9 for a detailed discussion of how the new organization was formed).

This new inclusive employers' organization, which drew in representatives of the other main employer bodies, had a more militant outlook than the Waterfront Employers Union. At the Waterside Workers Federation's conference in 1982, President Ray Fergus spoke of the "re-formation of the employers' structure and their apparent hard line management."[77] In his report at the same conference, General Secretary Jennings remarked:

> The Employers have actually formed themselves into a National Union and this was done deliberately to attack the conditions of waterside workers. They have already begun to attempt to pick off some port unions.[78]

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[75] Minutes of PEA Management Committee Meeting 634, 17/3/76. Port Employers Association Records, 89-395, Box 205 (Alexander Turnbull Library, NLNZ).
[76] Minutes of PEA Management Committee Meeting 642, 5/7/76. Port Employers Association Records, 89-395, Box 205 (Alexander Turnbull Library, NLNZ).
[77] Minutes of Waterside Workers' Federation Conference, 18/10/82. New Zealand Waterfront Workers Union Records, 92-305, Box 14/7 (Alexander Turnbull Library, NLNZ).
[78] Ibid.

However the formation of the new employers' organization still did not prevent the fragmentation of bargaining. Despite the formation of NZAWE, the Waterfront Employers Union still considered it vital that the Waterfront Industry Act 1976 be amended to eliminate the ability of individual employers to "make independent deals without reference to either the Employers' Union or the new Association."[79] Consequently, at the first meeting of the NZAWE Council in 1981, a discussion of the need to lobby for amendments to the Waterfront Industry Act 1976 occurred, and agreement was reached that it was "essential that changes to the Act must limit negotiations of agreements, both national and local, to Unions or Industrial Associations of Employers."[80]

The reason for the employers continuing to push for this change in law is that individual companies continued to negotiate special agreements independent of NZAWE. For instance, in 1982 NZAWE indicated its intention to take control of the renegotiation of a special agreement for a shipping company, Gearbulk Shipping (N.Z.), which was not a member of the organization (but was a registered employer of watersiders). Since 1974, Gearbulk Shipping had operated specialized vessels which were able to combine as cargoes unitized forestry products, containers, and bulk cargo. This company had never been a member of the PEA or the WEU. One of the reasons for this was, according to Gearbulk's General Manager (P. Breuer), that these organizations had never recognized the specialized nature of these vessels, maintaining that they were merely an 'updated' conventional vessel, when in fact they were a high capital cost operation which required faster turnaround times than conventional vessels, and hence needed to be

[79] Minutes of PEA/WEU Management Committee Meeting 106, 20/5/81. Port Employers Association Records, 89-395, Box 206 (Alexander Turnbull Library, NLNZ).
[80] Minutes of NZAWE Council Meeting 1, 9/7/81. Port Employers Association Records, 90-220, Box 62 (Alexander Turnbull Library, NLNZ).

worked under different terms and conditions than these latter.[81] Consequently, in 1980, Gearbulk Shipping had itself negotiated a special shiftwork agreement with the WWF which was ratified by the Waterfront Industry Tribunal. Yet a paper produced by NZAWE in 1982 stated that this organization would take over the industrial advocacy of the Gearbulk shift agreement. In a letter to the Chief Executive of NZAWE, Gearbulk's General Manager wrote: "We cannot understand how this statement of intent could be made when we have never been consulted."[82] Moreover, Gearbulk would not accept the involvement of NZAWE in its negotiations.

As the Gearbulk case demonstrates, despite the formation of a 'united' employers organization, NZAWE still faced the problem controlling the actions of employers who were not members of the organization. In effect, this resulted from the fact that the Waterfront Industry Act 1976, which allowed registered employers to negotiate with unions, did not make membership of the employers' organization a prerequisite to registration. Furthermore, NZAWE continued to face the problem of getting its members to delegate authority in bargaining to the organization. As we will see below, individual employers continued to 'go it alone' in negotiating special agreements with the unions. Deals of this type, which were done at the local level, illustrate continuing employer disunity.

The continuing frustration of the employers' organizations at these special agreements was registered, in very forthright terms, in a paper sent to NZAWE by the Stevedoring Employers Association:

> There is little doubt in the minds of our Association that the Waterfront Industry is in a mess. The Unions have purposely and systematically picked off individual employers to the extent that the

[81] Letter from P. Breuer to D. Young, 10/5/82. Port Employers Association Records, 90-220, Box 25 (Alexander Turnbull Library, NLNZ).
[82] Ibid.

> GPO as it was intended and presently stands is a work of fiction that bears no resemblance to current practices. Special agreements proliferate, special cargo rates are often astronomical, and the bonus system is a machine that devours money faster than it can be generated. . . . Essentially we have reached our current position because we as employers have offered no united front, and have allowed ourselves to be backed into a corner time and time again.[83]

As one of the distinct set of interests within NZAWE, the Stevedoring Employers Association (SEA) lobbied it on a number of issues. In this case the SEA, as well as arguing for greater unity amongst employers, proposed a high-wage solution with reduced manning levels. It stated: "We *can* afford to make the pay attractive enough to buy flexibility", but added the proviso that this was only the case if manning levels were cut.[84] As we shall see, this statement foreshadowed the approach that NZAWE subsequently was to take.

The first two rounds of national negotiations after the formation of NZAWE, which resulted in the introduction of GPO 459 (in March 1981) and GPO 470 (in March 1982), were still handled by the Waterfront Employers Union as the new organization did not officially take over as the official employers' organization until July 1982. These negotiations took much the same form as the previous three rounds: the Federation secured wage increases based on the threat of industrial action on a national scale (although in neither case did strike action actually occur). For instance, when the negotiations in 1982 stalled at one point, the Federation exercised this strike threat very effectively. At the Federation's Conference in 1982 General Secretary Jennings said: "The National Executive . . . were preparing a recommendation to port unions for full scale direct action by all ports when the Employers sought further discussion and the offer of a package

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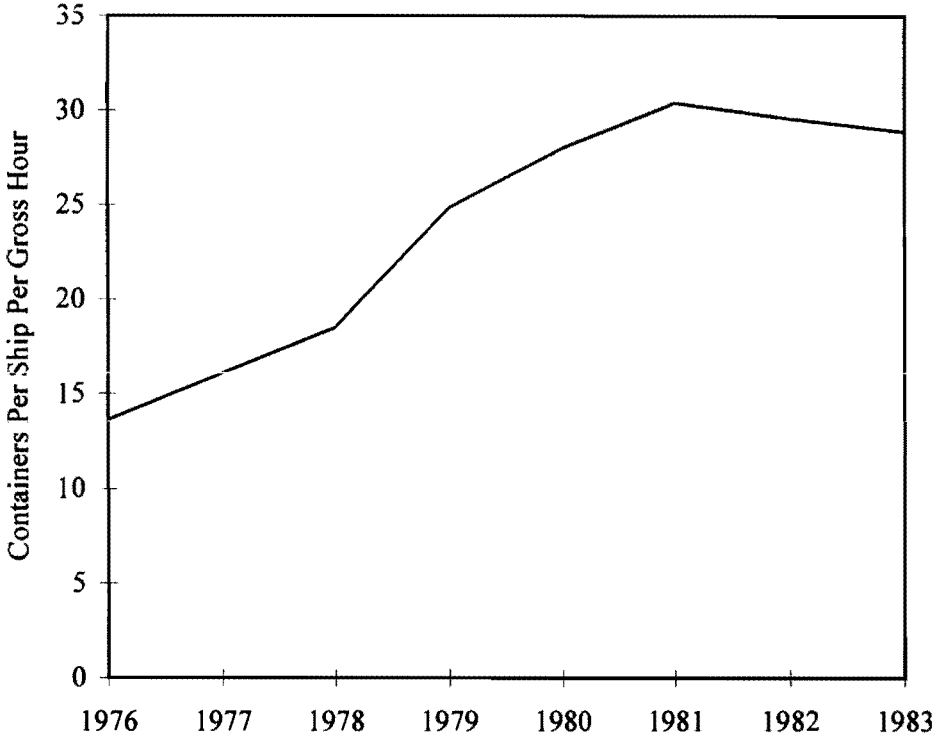
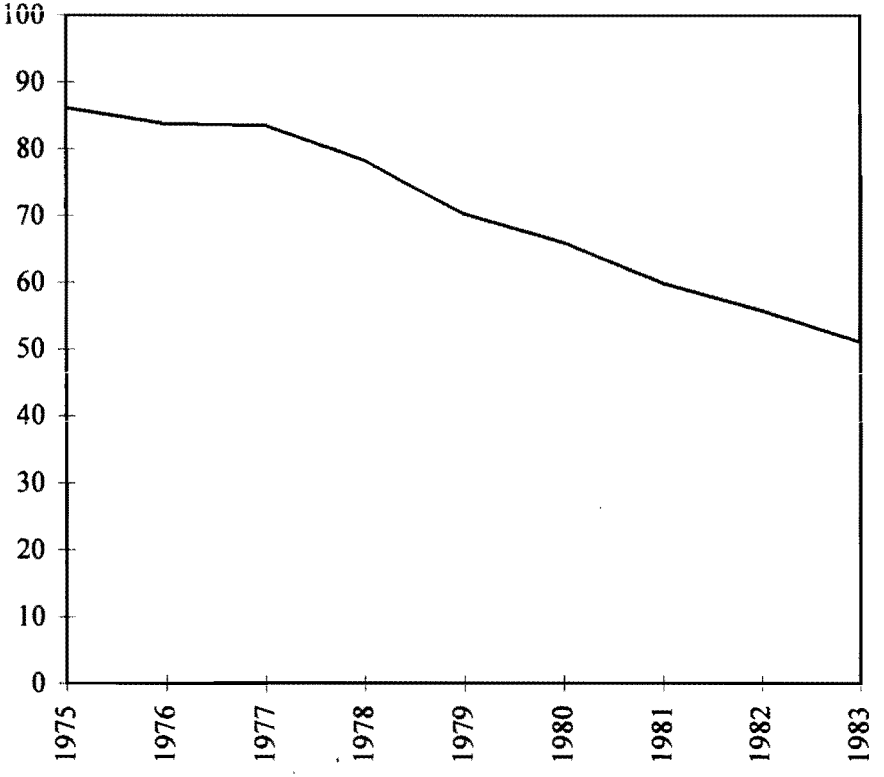
[83] New Zealand Stevedoring Employers Association 'Paper to New Zealand Association of Waterfront Employers', 12/10/83. Port Employers Association Records, 90-220, Box 57 (Alexander Turnbull Library, NLNZ).
[84] Ibid.

Graph 11.3 : Ship Exchange Rate (Containers)



Graph 11.4 : Index of Man-hours Per Tonne



deal."[85] This latter GPO was settled before a wage freeze was imposed by the National Government in June 1982.

NZAWE, at this time, also had a significant decision go against it. This was a case where the Waterfront Industry Tribunal, in taking what by all counts must be regarded as a narrow, legalistic reading of an agreement, rendered a decision which severely hampered the employers (and favoured the unions). In 1982, a time of considerable redundancies (see Chapter 10), the Federation placed a restriction on the working of non-cellular and partly cellular vessels within container terminals.[86] Undoubtedly this was done to keep more work for watersiders. As Roth (1993:197) writes, "watersiders alone had the right to work ships in conventional ports, while composite gangs of watersiders and harbour workers worked in the terminals." In response, NZAWE took a case to the Tribunal in an attempt to have non-cellular vessels worked within the container terminals. However the Tribunal ruled in favour of the Federation.[87] As General Secretary Jennings remarked, in his address to the WWF Conference in 1984:

> the Container Terminal Operators attempted to force all vessels carrying containers to be worked by the composite work [force] at the Terminals and took the case to the Tribunal against our wishes. They made a mistake, which we have capitalized on since.[88]

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[85] Minutes of Waterside Workers' Federation Conference, 18/10/82. New Zealand Waterfront Workers Union Records, 92-305, Box 14/7 (Alexander Turnbull Library, NLNZ).

[86] Cellular container ships carry containers alone. They are so named because of the 'cells' into which containers are placed aboard the ship. The non-cellular vessels in question were multi-purpose ships (often roll-on / roll-off vessels) that carried containers but lacked 'cellular' container space as such. It appears that this restriction was extended to include even partly cellular vessels.

[87] At the Auckland Container Terminal, at least, cellular container vessels had been worked prior to 1982 on the basis of vessel-by-vessel 'dispensations' granted by the Auckland Union. However the employers sought a general ruling that all vessels could be so worked at each of the four terminals. The Tribunal's narrow legalistic definition hinged on the term 'cellular', which had been inserted into the container terminals agreement prior to the term 'container ship'. Although this term had not been contained within the original agreement set down by the arbitrator (R. Davison), this change had been made by the employers and the Federation jointly at some stage in 1970s during a review of the agreement. The Tribunal interpreted this clause to mean that only cellular vessels had right of access to the Terminals.

[88] Minutes of Waterside Workers' Federation Conference, 15/10/84. New Zealand Waterfront Workers Union Records, 92-305, Box 14/8 (Alexander Turnbull Library, NLNZ).

Table 11.1 : Productivity and Costs (Percentage Change)

Year	Rate of work (Tonnes per gross gang hour)	Average total cost per tonne
1971	+3.3	+24.1
1972	+7.7	+7.1
1973	+3.9	+12.1
1974	-3.4	+18.1
1975	+3.9	+9.5
1976	+2.4	+14.8
1977	-0.7	+17.1
1978	+6.1	+3.8
1979	+10.3	+8.7
1980	+6.2	+17.8
1981	+9.5	+11.2
1982	+7.7	+15.3

Source: Waterfront Industry Commission Annual Reports

NZAWE then attempted (unsuccessfully) for the next five years to get the Tribunal's decision overturned.

Despite this setback, NZAWE took a much harder line in subsequent rounds of national negotiations. Part of the reason for this approach was that, throughout the 1970s, costs had increased at a greater rate than attendant increases in productivity. Graphs 11.3 and 11.4 show that productivity on conventional wharves and in container terminals increased during this period.[89] However Table 11.1 demonstrates that these productivity increases had been outstripped by cost increases.[90] This was in large part due to the fact that, despite the wage controls of the 1970s, the Federation had been successful in gaining substantial wage increases. Although the wage-price freeze between 1982 and 1984 held wages down briefly, a number of exemptions were granted by the Wage Freeze Authority during this time (see WIC Report 1984:19-20). Furthermore, gang sizes remained at much the same size as during the break-bulk era, despite the potentially labour-saving effects of the unitization of cargo. In light of this situation, the newly reorganized employers' association attempted to comprehensively 'restructure' the GPO in the 1984 wage round. A good deal of this effort centred on attempting to reduce gang sizes, as the Stevedoring Employers Association had previously advocated.

Significantly, at the same time as the employers were regrouping for an attack on the wages and conditions of waterside workers, there was a feeling at the national level of the Waterside Workers Federation that some of the port unions were

[89] In Graph 11.4 the base year for the index is 1970 (100). This index covers cargo (un)loaded at all ports, except cellular container cargo.

[90] This table only deals with cargo handled on conventional wharves. It is reasonable to assume, however, that a similar (if not greater) cost structure applied in the container terminals, particularly insofar as wage increases secured in the GPO were automatically passed on to workers in the terminal via the 'trigger mechanism' which linked the two agreements.

taking matters too far, in using their industrial strength to secure special wages and conditions from individual employers at the local level, in a manner which might provoke 'clawbacks' by NZAWE. This was colourfully expressed in a conversation I had with a national union official who said that some of the port unions had taken the view that "everyone else is a pack of bastards and we'll screw whatever we can locally" (fieldnotes). He described a number of what he regarded as "exorbitant rates" that had been negotiated on some jobs during the 1970s.[91]

This tension between the Federation and the local unions (and their members) was also manifested in the area of gang strengths. In 1982 the Federation sought to get agreement amongst its members to push for a decrease in the 9 hour day, in concert with the introduction of a two-shift system, as a way of utilizing excess labour. However there were problems with this move insofar as it would have meant eliminating much of the 'spelling' which occurred. A Lyttelton Union representative stated that in saving jobs "the shorter working day would assist, but a price would have to be paid and that was the spelling system."[92] And, as a representative of the Auckland Union replied, "The current situation is that there is spelling, and a shorter working day because of this. It is a luxury and the membership do not want to give it away."[93] This is a clear case where the rank and file were not prepared to trade off job control for greater long-term job security. The Federation's General Secretary, Sam Jennings, accused them of shortsightedness:

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[91] One such example, which I uncovered in the records of the Waterfront Industry Commission, was negotiated between the Whangarei Watersiders Union and the Northland Harbour Board in 1975. This agreement was to unload cargo from a fire damaged vessel at the Port of Whangarei. The watersiders who worked on this job earned $350 for a 40 hour week, which was well in excess of the average weekly wage. This wage was based on working 6 hour shifts 24 hours a day, earning 7 hours at treble time, as well as clothing and travelling allowances, meal money and bonus payments.

[92] Minutes of Waterside Workers Federation Conference, 18/10/82. New Zealand Waterfront Workers Union Records, 92-305, Box 14/7 (Alexander Turnbull Library, NLNZ).

[93] Ibid.

> the members in most ports are on a kamikaze course in respect to job security and job protection. Some members are showing quite clearly by their actions that jobs can be worked with less than the required gang strengths. The attitude seems to be 'let's make hay while the sun shines'.[94]

To be sure, these divisions within the Federation did not manifest themselves 'externally'. For example, the introduction of voluntary unionism for a brief period in 1984 did not result in any members leaving the unions.[95] But the divisions did impede attempts by the Federation to 're-group', in order to confront the new employers' organization. Significantly, this process continued to be hampered by the opposition to forming a national union. At national conferences in the early 1980s the Federation executive had pushed for the formation of a national union, but these efforts had failed in part because of the Auckland Union's disagreement with the Federation over the management of the superannuation fund (see Chapter 9). Indeed, the prospect of the largest and most powerful of its member unions suing the Federation did not augur well for its future as a centralized national organization. Thus, at the same time as the employers reorganized, divisions began to reassert themselves within the Federation.

(5) The Tide Begins to Turn

The tide began to turn in favour of the employers in the mid-1980s. There are a number of reasons for this shift in the balance of power. The reorganization of the employers into NZAWE undoubtedly played a part in this process.

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[94] Ibid.

[95] The National Government introduced voluntary union membership via the "Industrial Relations Amendment Act 1983 (which came into force on 1 February 1984). This Act abolished unqualified preference clauses, prohibited their negotiation in the future, and prohibited discrimination on the grounds of union or non-union membership" (Deeks and Boxall 1989:51). On the waterfront, this move required an amendment to the Waterfront Industry Commission Act 1976.

Overwhelmingly, however, what turned the tide in favour of the employers was the prospect, and then the reality, of deregulation both of the labour market and of the waterfront industry itself.

In 1984, the fourth Labour Government entered office. At first, this resulted in jubilation on the part of some segments of the union movement. President Malcolm commented at the Waterside Workers Federation's Conference in late 1984 that:

> This, the Ninth Biennial Conference, is blessed with being held with a workers' government, the Labour Party, being in power . . . . The workers' government of New Zealand, the Labour Party, one would surmise will not, during the period from 1984 through to 1987 fall into the bottomless pit, or attain the aloofness of the third Labour Government.[96]

Indeed, the new Government reintroduced compulsory unionism (Deeks et al. 1989:51) and ended the wage-freeze regulations (see Boston 1984). Also, in a move that signalled the beginning of the reform of the state-regulated industrial relations framework, the Labour Government introduced the Industrial Relations Amendment Act 1984 which eliminated compulsory arbitration. The Federation of Labour supported this change (see Walsh 1989; Boxall 1990), as did the Waterside Workers Federation which had been arguing for the abolition of compulsory arbitration since the 1950s.

But the jubilation on the part of the union movement was short-lived, as this Government embarked on a sweeping programme of economic reform and deregulation (see Bollard and Buckle 1987; Boston et al. 1991; Roper 1988). This was to have an impact on the waterfront in two key respects. First, moves to

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[96] Minutes of Waterside Workers' Federation Conference, 15/10/84. New Zealand Waterfront Workers Union Records, 92-305, Box 14/8 (Alexander Turnbull Library, NLNZ).

abolish the Waterfront Industry Commission gathered momentum. Second, the deregulation of the labour market resulted in the abolition of the Waterfront Industry Tribunal through the Labour Relations Act 1987 (which I will deal with in Chapter 13). As we shall see, this climate of reform had a decisive impact upon the practice of industrial relations on the waterfront.

The next round of national bargaining took place after the lifting of the wage freeze by the Labour Government in November 1984. In May 1984, prior to the rescinding of the freeze, there had been industrial action in opposition to it: "At 12 ports 22,314 man-hours were lost in protest at the continuation of the Wage Freeze Regulations and the lack of progress in re-negotiating conditions of employment" (WIC Report 1984:21). After the freeze was lifted the Federation vigorously attempted to make up for lost ground. In December 1984 a 12 day stoppage occurred at the four container terminals, ostensibly over manning levels on particular vessels, but the NZAWE annual report states that:

> it was believed that the outcome of the dispute was secondary in that primarily the WWF was seeking to give an advance warning for the forthcoming negotiation of the Composite Workforce Agreement and GPO.[97]

In this round of negotiations, the Federation put in a number of inflated claims. As Roth notes, the Federation:

> put in a claim for a 25 percent pay rise and a reduction in working hours. They asked for an extension of bereavement leave to cover uncles, aunts, nephews, nieces . . . . Another claim . . . was for paid long-service trips overseas for members and their wives and children: a trip to the South Pacific after 10 years of service, to Australia after 25 years and to the United States or Britain after 30 years (1993:189).

[97] NZAWE Annual Report 1985. Port Employers Association Records, 90-220, Box 62 (Alexander Turnbull Library, NLNZ).

Although the Federation did not succeed in these claims, through GPO 490 (which was registered with the Tribunal in March 1985) it achieved a 7 percent increase in the hourly rate, as well as in special rates and allowances (WIC Report 1985:20). Moreover, the employers' attempts to 'restructure' the GPO (which involved attempts to bring the 'satellite' agreements under the umbrella of the national agreement) failed.

To a large extent, the employers' failure to restructure the GPO was a result of resistance by the Federation. However, these efforts were also hampered by disunity amongst the members of NZAWE. For instance, in response to "the spread of special shift agreements which . . . made the General Principal Order increasingly irrelevant", NZAWE attempted to get the agreements standardized and to gain control of them by seeking to incorporate a shift-work agreement into GPO 490.[98] NZAWE put a proposal forward which, in turn, was met by a counter-proposal by the Federation that was deemed to be unacceptable. But this effort was undermined by a company that broke ranks and sought to establish its own agreement on terms more favourable to watersiders. As the NZAWE annual report noted:

> when an employer, who was a party to the agreement proposed by the Association, commenced direct negotiations with the Federation, the Association was forced to abandon its efforts to achieve a satisfactory shift work agreement.[99]

Thus the employers were still plagued by individual employers handling their own negotiations directly with the Federation, which in this case stymied an attempt to incorporate special agreements into the national agreement. The attitude of NZAWE was that:

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[98] Ibid.
[99] Ibid.

> a General Principal Order that was broad enough to avoid the need for special agreements would not be achieved and maintained if employers could still be coerced by the Waterside Workers Federation into negotiating separate agreements.[100]

Thus NZAWE continued to press for the Waterfront Industry Act 1976 to be reformed to remove the right of individual employers to make agreements with port unions and the Federation. Although this particular effort at reform continued to be unsuccessful, there were moves afoot to 'reform' the industry as a whole.

In many respects, the most important discussions in 1984 for the future of the waterfront, occurred not within the Conciliation Council for GPO 490, but rather in Parliament over deregulating the ports. The prospect of 'waterfront reform' was first raised by the publication of the Ministry of Transport's 'Onshore Costs Study' in 1984. This report is generally acknowledged as being a cornerstone of the reform process (Jeffries 1992; Ward 1990). As its title implies, the report was intended to "examine the potential for reducing the costs of moving export cargoes from the farm gate or factory door to the seaward harbour pilotage limit" (MOT 1984:236). Submissions had been made by a large number of groups (including the Waterside Workers Federation and NZAWE).[101] The report was presented as a 'discussion document' and, although it did not present any substantive recommendations, the underlying thrust was that costs were too high and that the institutional arrangements (including those relating to waterfront labour) had a significant role to play in this state of affairs.

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[100] Minutes of NZAWE Council Meeting 26, 17/10/84. Port Employers Association Records, 90-220, Box 62 (Alexander Turnbull Library, NLNZ).

[101] The Ministry of Transport, in another document, noted that: "Of the submissions, 21 came from shippers or shipper groups; 8 from shipping companies and conferences; 8 from harbour boards and the Harbours Association; and 4 from stevedoring interests. Others to contribute submissions included waterfront employee and employer groups, freight forwarders, the insurance industry, land transport operators and a number of individuals and organizations" (MOT 1985:i).

The former Parliamentary Under-Secretary to the Minister of Transport, Bill Jeffries, claims that: "the On Shore Costs study described the chaos and cost of the existing arrangements" and, as such, the report directly fed into the reform process (Jeffries 1992:161). The first step in this process was an 'Industry Conference' held in December 1984. Jeffries, who chaired this Conference, notes: "All the participants in the industry were summoned to Wellington for a one day meeting. The Government gave notice that it intended to pursue a programme of port reform" (Jeffries 1992:161).

The initial moves toward waterfront reform undoubtedly constituted an important part of the 'climate' of industrial relations on the waterfront. In September 1985 the Government convened the Ports Industry Workshop to further discuss port reform (including the terms of employment of watersiders), and invited the attendance of representatives of the Waterside Workers Federation. However the Federation boycotted the innocuously titled 'workshop', which General Secretary Jennings later described as "jacked up", and organized a 48 hour national stoppage in protest at this, along with the employers' attempts to renegotiate the GPO (see below).[102] This demonstration of industrial strength undoubtedly was designed to deter the Government from pressing ahead with discussions on port reform. However the Ports Industry Workshop simply proceeded without Federation representatives. The upshot of the workshop was the establishment "of a representative committee which would meet during 1986 to design a new ports system" (Jeffries 1992:161).[103] The Ports Industry Review Committee, as it was

[102] Minutes of Waterside Workers Federation Conference, 20/10/86. New Zealand Waterfront Workers Union Records, 92-305, Box 14/9 (Alexander Turnbull Library, NLNZ).

[103] The actual terms of reference of the Committee were: "to review the proposals for institutional and legislative reforms within the industry which were put forward at the Workshop for the purpose of improving efficiency" and "to report to the Minister of Transport with recommendations as to: (i) an agreed list of objectives for the port industry; and (ii) the institutional and legislative reforms within the industry which the Committee considers will be necessary to meet these objectives and improve efficiency" (Ports Industry Review Committee 1986:v).

known, consisted of representatives from throughout the industry.[104] Unlike the Workshop, the Federation executive decided to accept representation on the Committee, and General Secretary Jennings was appointed to it. If the Federation were not able to stall the process of reform through industrial action, they would attempt to influence the direction of reform.

With the prospect of waterfront reform looming on the horizon, NZAWE seized the opportunity to go on the offensive. Almost immediately after GPO 490 was settled in March 1985, the employers applied to have it renegotiated. In doing so, they were seeking what they had not been able to do in the previous round of negotiations, namely to 'restructure' the agreement. A NZAWE newsletter makes this clear:

> The employers have taken the unusual step of lodging claims for a new General Principal Order rather than wait for the Waterside Workers' Federation to lodge its claims first. By taking this step the employers are the applicant for the purposes of the Conciliation proceedings. The claims are almost identical to those put forward last year which proposed a restructuring of conditions of employment on the New Zealand waterfront.[105]

This pre-emptive move was the other reason for the 48 hour national stoppage referred to above. As NZAWE itself noted, in addition to protesting the Ports Industry Workshop, the Federation gave as a reason for this stoppage, "The action of employers in lodging claims for revising the General Principal Order rather than waiting for the Waterside Workers to lodge claims."[106]

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[104] The Ports Industry Review Committee comprised ten representatives as follows: W. Jeffries (Under Secretary to the Minister of Labour; I. Brokenshire (General Manager, Lyttelton Harbour Board); D. Graham (Assistant Managing Director, Union Shipping Group); S. Jennings (General Secretary, Waterside Workers Federation); B. Knowles (Managing Director, N.Z. Wool Board); F. McKenzie (Chairman, Bay of Plenty Harbour Board); R. Whyte (General Manager, Blueport ACT); J. Wilson (National Secretary, Habours Union of Workers); B. Wood (General Manager, Waterfront Industry Commission); D. Young (Chief Executive, NZAWE).

[105] NZAWE Newsletter No. 8, 13/9/85.

[106] Ibid.

The NZAWE Council had resolved that "the highest priority should be attached to the claims for reforming the terms and conditions of employment on the waterfront in the forthcoming negotiations."[107] These claims involved an attempt to standardize agreements by establishing a common set of hours prescribing two work periods (or shifts) per day (which had not been achieved in the previous GPO), to substantially decrease gang strengths, to reduce bonus rates, and to establish a single agreement for all conventional operations which would incorporate all of the existing 'satellite' agreements under the umbrella of the national agreement. But continuing employer fragmentation impeded this process. NZAWE noted in its 1985 Annual Report that "there are still many instances . . . of individual employers . . . handling their own industrial affairs."[108] In GPO 514, which was settled in December 1985, the Federation achieved a 15.5% increase in the basic hourly rate (they had sought 30%), as well as in special rates and allowances" (WIC Report 1986:18). However, this (not insubstantial) increase was granted by NZAWE with the proviso that further negotiations were to be held:

> The parties to the general principal order agreed to meet, as required, during the currency of the order to continue conciliation proceedings with the objective of negotiating a revision of the terms of employment. The intention was to ensure progress with the objective of reaching agreement by 30 June 1986. At that date the parties were to jointly report on the basis of agreement to the Government and to the Waterfront Industry Tribunal (WIC Report 1986:18-19).

The Federation's approach, however, was to stall the process by refusing to return to conciliation proceedings. The employers responded by attempting to force changes, via the Tribunal, by constantly appealing decisions of the local Port

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[107] Minutes of NZAWE Council Meeting 33, 17/10/85. Port Employers Association Records, 90-220, Box 62 (Alexander Turnbull Library, NLNZ).
[108] NZAWE Annual Report 1985. Port Employers Association Records, 90-220, Box 62 (Alexander Turnbull Library, NLNZ).

Conciliation Committees in what were colloquially referred to by the unions as 'fishing expeditions' (applying in the hope of winning something). General Secretary Jennings commented that: "Their stratagem is to entice port union officials in a PCC meeting to discuss problems with the knowledge that the Act provides for an appeal."[109] Although it appears that the employers did not gain much in this manner, it did tie up members of the Federation executive in Tribunal hearings. This was exacerbated by the fact that the Federation was not always made aware by port unions of matters which could be appealed to the Tribunal.[110]

These matters came to the fore again in the 1986 bargaining round, which was decisive. Although the Federation attempted to 'hold the line' (by not agreeing to any restructuring of the GPO) there were a number of developments which continued to turn the tide against them. The push by the Government for 'port reform' was gathering momentum by this time. The Ports Industry Review Committee had returned its report in August 1986 and made a number of recommendations to the Government on ways to reform the industry.[111] Although it recommended that the Waterfront Industry Tribunal was to remain intact, at the

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[109] Minutes of the Waterside Workers Federation Conference, 20/10/86. New Zealand Waterfront Workers Union Records, 92-305, Box 14/9 (Alexander Turnbull Library, NLNZ).

[110] General Secretary Jennings remarked at the WWF conference in 1986 that: "There have been times when the Federation's first knowledge of a dispute is when it is advised by the Secretary of the Tribunal that a hearing date has been set. . . . In the circumstances it is imperative that the Federation be advised on matters [referred] to the Port Conciliation Committees which could be the subject of an appeal by the Employers to the Tribunal." Ibid.

[111] The Committee made recommendations in four areas: port administration, cargo-handling operations, employment of labour, and dispute settlement procedures. The most significant recommendation in the area of port administration was that the Harbours Act 1950 should be amended such that Harbour Boards were required to develop a more "commercial outlook" and "a business-like approach to operations" (Ports Industry Review Committee 1986:15). With respect to cargo-handling operations, the Committee made a number of recommendations which were, in effect, intended to increase competition within the field of stevedoring. Regarding the employment of labour, the Committee recommended that "a system of pooled labour be retained to cater for the fluctuating nature of work on the waterfront, and to maintain the facility of competitive stevedoring" (ibid:20). Significantly, however, the Committee was "not able to reach agreement on whether the labour pool should be administered by a Government agency, such as the Waterfront Industry Commission, or by employers in consultation with the unions" (ibid:20). The six employer representatives supported abolishing the Commission, while the two union representatives and the representative of the Commission itself supported retaining it. The Committee did, however, recommend that the Waterfront Industry Tribunal be retained.

same time in September 1986 the Government's Policy Statement on Labour Relations announced that the Waterfront Industry Tribunal, along with all other specialist institutions, would be abolished.[112]

The Labour Government's Minister of Transport, Richard Prebble, delivered a speech at the WWF conference in 1986 where he said that the Commission would be retained (which belied what was subsequently to happen), but confirmed that the Waterfront Industry Tribunal would be abolished: "the Government's industrial relations policy is now to end these specialist institutions and I support this move."[113] Faced with this prospect, and despite constantly criticizing the Tribunal during the previous 30 years, the Federation's executive actually supported retaining this institution. General Secretary Jennings remarked:

> In spite of its shortcomings, the Waterfront Industry Tribunal has given many decisions in favour of the Federation and the recommendation of the Government's White Paper to have it incorporated into the overall Arbitration System is not in the interests of waterside workers and must be opposed with venom.[114]

But, equally, Jennings recognized that they probably would lose it and that they had to prepare for the worst case scenario:

> the Tribunal . . . is to be replaced by [the] Arbitration Court whose members will be decided by the FOL and Employers . . . [and] every effort has to be made to get input on who sits on this Court, because we can't afford to have outsiders telling us how to do things.[115]

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[112] Bill Jeffries who was at the time was the Parliamentary Under-Secretary to the Ministry of Transport, and responsible for overseeing the process of port reform, later wrote: "The new Industrial Relations legislation . . . abolished special industry arbitral institutions. When the decision to abolish these special purpose authorities was made within government, I was advised to avoid recommending their continuance as far as ports were concerned" (Jeffries 1992:161). However he does not identify who advised him to take this course of action.

[113] Minutes of Waterside Workers Federation Conference, 22/10/86. New Zealand Waterfront Workers Union Records, 92-305, Box 14/9 (Alexander Turnbull Library, NLNZ).

[114] Ibid.

[115] Ibid.

There was a feeling amongst the Federation executive that the prospect of port reform and industrial relations reform did not augur well for the future of the port unions, and consequently that care needed to be taken in what they attempted to achieve in national negotiations. Indeed, prior the 1986 bargaining round the Federation Executive, in a circular to port unions, urged caution:

> In forwarding remits Port Unions should be cognizant of the fact that discussions are currently being held on restructuring the Waterfront Industry.[116]

However, at the Federation's conference late in 1986, Jennings (referring to this circular) commented that:

> Irrespective of this advice some port unions have forwarded remits in such a vein as to lead one to believe that we are still operating in the '60s or even in the early '70s.[117]

As we shall see below, it was all the Federation could do to stave off NZAWE's push for changes to the GPO.

In the words of Federation General Secretary Jennings, NZAWE sought to effect in the 1986 bargaining round "complete and revolutionary changes to conditions of employment on the New Zealand waterfront."[118] The most significant of these changes, as before, involved an attempt to incorporate all Principal Orders into the GPO, as well an attempt to secure an agreement that no further special agreements were to be made unless agreed to by the Federation and NZAWE. The employers also sought compulsory redundancies, manning reductions, and changes to the

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[116] Federation Circular to Port Unions, 30/6/86. New Zealand Waterfront Workers Union Records, 92-305, Box 15/10 (Alexander Turnbull Library, NLNZ).
[117] Minutes of Waterside Workers Federation Conference, 20/10/86. New Zealand Waterfront Workers Union Records, 92-305, Box 14/9 (Alexander Turnbull Library, NLNZ).
[118] Ibid.

bonus system. The constituent members of NZAWE were in agreement that no wage offer should be made if the GPO was not reformed, at least in some areas, at the same time.[119]

The Federation resisted all moves to 'restructure' the GPO (in the terms outlined above), arguing that GPO 514 should be renegotiated only in the form of a wage increase, with talks about 'restructuring' to occur later in the term of the new order. In the face of opposition by NZAWE to this latter proposal, the Federation withdrew from conciliation proceedings and refused to return until March 1987 (even though GPO 514 expired at the end of 1986). Prior to resuming talks, the Federation mounted a five day national stoppage which resulted in the loss of a massive 88,762 man-hours (WIC Report 1987:60). Undoubtedly the Federation, after refusing to return to conciliation, timed this stoppage to coincide with a peak shipping period. As the following comment from a NZAWE newsletter indicates, this tactic was very effective:

> the industrial action taken by waterside workers . . . at the peak of the export season has come at a particularly critical time for many export cargoes. Accordingly NZAWE is making every effort to resolve the dispute with waterside workers as soon as possible.[120]

The Federation also took other action, such as refusing to negotiate with the Apple and Pear Board over seasonal labour requirements at the Ports of Napier and Nelson. General Secretary Jennings commented on national radio in February 1987 that the Federation "will not be prepared to cooperate with any employer until the wage round has been settled."[121]

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[119] This sentiment is apparent in the minutes of NZAWE Council Meeting 45, 26/2/87. Port Employers Association Records, 90-220, Box 62 (Alexander Turnbull Library, NLNZ).
[120] NZAWE Newsletter 664, 23/3/87.
[121] As quoted in NZAWE Newsletter 645, 16/2/87.

Largely as a result of this action, the Federation was able to resist all attempts to comprehensively restructure the GPO. But, once again, this resistance was assisted by employer disunity. Although the NZAWE Council was firm in its resolve to restructure the GPO, it appears that they were not so confident in the resolve of individual employers. Yet again, NZAWE abandoned its attempt to restructure the GPO, stating that:

> Reflecting a concern that further special deals by individual employers would continue to erode any new GPO, the Association finally abandoned its attempt at a comprehensive reform of the agreement when the Government announced that there would be no reform of the present legislative and institutional framework governing labour arrangements in the waterfront industry.[122]

In this statement the NZAWE Council was referring to the fact that the Government did not intend to change the provisions in the Waterfront Industry Act 1976, in order to remove the right of individual employers to negotiate agreements with unions (which had the potential to undermine its efforts to effect change through the national agreement). In abandoning their attempts to restructure the General Principal Order NZAWE officials were aware, however, that the broader industrial relations framework was about to be substantially altered. NZAWE waited until this occurred before pushing for further change.

Although the Federation still wielded a considerable degree of industrial strength (as the national stoppage clearly indicates), and successfully resisted the employers' attempts to radically revise the GPO, the Federation made concessions on gang manning in return for a wage increase. These concessions were made under the pressure of the prospect of port reform, and the immanent introduction of the Labour Relations Act which would result in the abolition of the 'specialist

[122] NZAWE Annual Report 1987. Port Employers Association Records, 90-220, Box 62 (Alexander Turnbull Library, NLNZ).

framework' of waterfront industrial relations. But they were also made in recognition of the fact that the Federation, in a period of employer attacks, could no longer maintain the status quo on manning.

As I noted above, throughout the 1980s there was a feeling within the Federation executive that some of the rank and file were pushing matters too far in the area of spelling. For instance, General Secretary Jennings had urged caution over spelling at the Federation Conference in 1984:

> When considering spelling on the waterfront even the minds of Federation Officers boggles [sic]. The conditions for job manning have been eroded, not by employers, but by members of unions who see the waterfront as secondary to driving a taxi . . . [or] operating a trucking business. The bell is tolling, and we know for whom.[123]

This sentiment was echoed by some port union officials, tempered with the recognition that the port unions could not eliminate spelling because the rank and file were not prepared to trade off job control against long term security of employment (register strengths, that is). At the same conference Ron Quince, the President of the Lyttelton Union, said: "We cannot escape spelling - it is part of the system and will be utilized against us and it is time to face up to it."[124] Since the early 1980s the employers had been attempting to decrease gang strengths, citing extensive spelling as a reason, and it was this latter that the employers attacked with vehemence in the 1986-87 bargaining round. Indeed in large advertisements placed in newspapers at the time of the national stoppage, NZAWE argued for a reduction in manning levels and the elimination of spelling (see Roth 1993:192).[125] Faced with such pressure, and in recognition that excess

[123] Minutes of the Waterside Workers Federation Conference, 15/10/84. New Zealand Waterfront Workers Union Records, 92-305, Box 14/8 (Alexander Turnbull Library, NLNZ).
[124] Ibid.
[125] Roth notes the advertisements were headed "N.Z. Ports at a Standstill" and, among other things, they claimed that "Waterside gangs are 30 percent overmanned and on average 30 percent of watersiders are absent during paid working hours" (1993:192).

spelling had undermined its ability to resist change in this area, the Federation took the position that gang strengths could not be maintained.

The outcome of the negotiations, which resulted in the registration of GPO 539 in May 1987, was in a sense what the Stevedoring Employers Association had proposed in the early 1980s - 'purchased' flexibility predicated upon manning reductions. Under this agreement, manning scales were reduced by 17% in return for a 9% increase in the basic hourly rate together with a 1% increase in superannuation contributions.[126] The new manning scales were national scales that took precedence over the scales previously contained in Supplementary Principal Orders, and were explicitly linked to changes in work practices. The 1987 Waterfront Industry Commission report states:

> At the time that the new, reduced gang manning was introduced, the Association of Waterfront Employers advised all waterside workers that employers intended to ensure that bad management practices which had allowed 'spelling' to flourish would be stopped (WIC Report 1987:19).

Short of engaging in a protracted dispute, which the Federation did not regard as desirable in the climate of reform, this was the best agreement it could get. Although the wage increase was smaller than in some industries in the 1986-87 bargaining round, it was above the average increase gained in the private sector (see Harbridge 1988).[127] The Federation traded off against this wage increase the one condition that it regarded as being the most difficult to defend.

The fact that GPO 539 was ratified by the port unions, which as per usual conducted ballots of the rank and file on whether the document should be agreed

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[126] This information is contained in the NZAWE Annual Report 1987. Port Employers Association Records, 90-220, Box 62 (Alexander Turnbull Library, NLNZ).

[127] In a review of wage settlements in this bargaining round, contained in 817 documents negotiated in the private sector, Harbridge notes that the "mean percentage annualised wage increment . . . was 7.3 percent (1988:52).

to, indicates that under the circumstances it was regarded as acceptable. Federation correspondence with port unions indicate that, given the broader environment that this round of bargaining took place within, most union officials (if not actually the rank and file) regarded the concession on gang manning as reasonable. Insofar as redundancies could only be effected on a voluntary basis, reduced gang manning did not directly result in any watersiders losing their jobs. The fact that the Auckland Union (the largest of the port unions), which initially opposed the reduced gang strengths, itself traded off register strengths against work practices later in 1987 (see Chapter 10) indicates the degree to which the tide was turning in favour of the employers.

(6) Conclusion

In this chapter I have presented a discussion and analysis of the pattern of industrial relations on the waterfront from 1972 until 1986. This period was characterized by a dynamic of union strength and employer weakness. I have demonstrated how this dynamic was expressed through a specific combination of centralized and decentralized bargaining which strengthened the Waterside Workers Federation's hand. Conversely, the employers were unable to achieve a fully centralized and 'externalized' form of organization, bargaining, and mode of action.

This pattern persisted, even after the employers reorganized, until the mid-1980s. Ultimately what turned the tide in favour of the employers was the fourth Labour Government's moves to reform the bargaining system and to deregulate the waterfront industry. Although the concessions made by the Federation on gang manning were described by NZAWE as the first significant step in 'reforming the GPO', in the 1986-87 bargaining round the Federation staved off the attempt by NZAWE to completely revamp the national agreement. However the process of

reforming the remainder of the GPO was materially assisted by the introduction of the Labour Relations Act 1987. In one crucial area this Act did precisely what NZAWE had been unable to do for 15 years previously: it brought all satellite agreements together with the national agreement. A detailed analysis of this, and other effects of the Act on waterfront industrial relations will be provided in Chapter 13. In the next chapter, however, I will examine the pattern of work relations in the period after containerization.

CHAPTER 12 : WORK RELATIONS IN THE CONTAINER ERA

> *To varying degrees, members of occupations possess and control the knowledge needed to perform specific, often complicated work tasks. Both this knowledge base and its control are in constant flux, however, as occupational decline, revival, or death remain ever-present possibilities. Deskilling - a series of power moves by managers that fracture, reassign, and render obsolete many of the tasks an occupational group has claimed for itself - is a potent force in this process of change.*
>
> Harrison Trice (1993:19)

(1) Introduction

In this chapter I will examine the impact of containerization on the pattern of work relations on the waterfront. I demonstrated in Chapter 6 that as a result of what I termed 'the problems of management', and the solutions adopted, waterside workers had a considerable degree of control over the labour process. In this chapter I will outline the potential threat to this worker autonomy that containerization posed. More specifically, drawing on other studies and my own fieldwork observations, I will demonstrate that container technology has the *potential* to increase employer control of work. However I will argue that this potential was not realized while the bureau system was in existence.

In Chapter 10 I argued that, despite the effects of containerization and declining levels of trade, the Waterside Workers Federation and port unions retained considerable control of the labour market. Indeed union control of the labour market was strengthened after containerization through the use of supplementary registers to restrict and then to eliminate casual labour. Furthermore, containerization led to a fragmentation of employer interests such that the employers' national organization could not secure the consent of individual employers to an exclusively 'externalized' form of bargaining.

In this chapter I will demonstrate that union control of the labour market, which persisted until the mid-1980s, was mirrored in watersiders' control of work practices. Containerization did not result in a sweeping change overnight; break-bulk work, while continually diminishing, co-existed alongside container work for most of the period under consideration. The pattern of work relations which I identified in Chapter 6 persisted on break-bulk jobs. Moreover, there were continuities in this pattern, which centered on the wage-effort bargain, on container jobs - a pattern in which watersiders continued to exert considerable control over work.

(2) Containers : A Potential Solution to the 'Problems of Management'?

In Chapter 6 I identified what I termed the 'problems of management' on the waterfront in the break-bulk period. These problems stemmed from the inherent variability of waterfront work which resulted in high levels of 'process uncertainty' (Kelly 1978). The stowing of cargo involved "non-uniform tasks" (Litwak 1961:178), and the resulting non-routine nature of waterfront work resulted in an inability to implement Taylorist methods of work organization. Instead, use was made of 'autonomous work groups' (Kelly 1978) in the form of gangs which had to be granted a certain level of autonomy and freedom in performing work. The problem for employers was how to ensure that this autonomy was exercised responsibly in order to elicit from gangs consistent levels of effort.

These inherent problems of controlling the performance of break-bulk work were exacerbated by the bureau system of labour administration that the waterfront labour market was organized through (principally because employers were unable to hire and fire watersiders). The strategy that employers adopted in response to these problems was, to repeat the phrase coined by Trist et al. (1963:36),

"management through the wages system" (rather than direct supervision). This strategy centered on the use of monetary incentives, together with negotiations on the job over "the terms of the effort bargain" (Edwards 1986:74).

The introduction of container technology, however, had the potential to disrupt these arrangements. Most significantly, regardless of the reasons for it being introduced, container technology has the potential to increase employer control of work by ushering in a workflow system which approximates that of Taylorism. The reasons for this center on the manner in which containers change the nature of the labour process. If standardization is largely responsible for the success of containers (see Branch 1986:83), it is also the key to the *possibility* of increasing employer control and the (re)assertion of managerial prerogative. Writing in the labour process tradition, Mills notes that:

> As a result of the integration of standardized cargo units, a vessel designed for these units, and the hoisting gear and/or dock equipment necessary to move them to and from stow, there is little variation in operational circumstances. Since each unit can be loaded to a predetermined place of stow, or discharged to a predetermined place of deck storage, operations can be completely planned (and computer simulated) before the vessel arrives. With all subsequent shipboard and dock work then sequenced, the need for initiative, innovation, and ingenuity is eliminated, while the range of skills and experience which routinely come into play is dramatically narrowed (1979:139).

Levels of process uncertainty associated with the nature of the labour process are substantially decreased through the use of container technology, and previously non-uniform tasks are rendered uniform and visible. Furthermore, standardization means that waterfront "work can be closely and continuously supervised and subjected to an on-going audit and review" (ibid:139).

For labour process theorists like Mills, the amenability of container work to management surveillance and direct control is pivotal to their argument regarding the routinization, deskilling and degradation of waterfront work. According to Mills, containerization ushers in what Richard Edwards (1979) refers to as a system of 'technical control'. Moreover, for Mills, the potential for employer control, which is inherent within container technology, is automatically and unambiguously realized. In Mills's characteristically dystopian labour process school account of technological change on the San Francisco waterfront, a loss of worker autonomy is identified as the effect of increasing employer control which followed directly after containerization.

If we take the point regarding the degree to which varied and non-uniform work is rendered predictable and routine by container technology, there would appear to be some credence in the argument of labour process theorists such as Mills. The numerous articles devoted to the development of mathematical models of container systems (for example, Ferreira and Sigut 1993) speak to the degree of predictability and standardization that container technology makes possible. However, what such arguments overlook (and this has long since become a stock-standard critique of the labour process school) is the capacity for worker resistance, and the way that new technologies are socially mediated. That container technology renders waterfront work more amenable to direct forms of control does not automatically and unambiguously result in such forms of control being realized. Indeed, subsequent studies indicate that Mills overstates the effects of container technology with respect to eroding the control waterfront workers had over their work.

Finlay (1988) and Wellman (1995) demonstrate that the evolutionary assumptions regarding increasing employer control of labour markets and work, which characterize the work of orthodox labour process theorists such as Mills, do not

necessarily apply on the waterfront even after containerization. While the use of container technology has the potential to facilitate direct and continuous supervision of waterfront work, this potential is not automatically translated into management control of work. There are two parts to this argument. First, container technology does not completely deskill waterfront workers. Both Finlay and Wellman demonstrate that new sets of skills emerge (such as those involved in container crane driving). Second, those jobs which might be regarded as deskilled (such as the work of stowing cargo, which is replaced by the mundane and standardized tasks of fastening and unfastening containers within the hold or on deck) are still subject to problems of control for employers. Finlay expresses this sentiment superbly:

> Standardized cargoes have resulted in standardized, and simplified, tasks. But if the tasks are simpler to perform, employers find it no easier to *control* their performance, although they may well be better able to *monitor* their performance (1988:144).

The argument that I will make in this chapter further substantiates the findings of Finlay and Wellman. In framing this argument, I will take a leaf from Finlay's book. In his analysis of containerization on the Los Angeles waterfront, Finlay (1988:26) states that he "pay[s] relatively little attention to the motives, devious or otherwise, of those responsible for developing, funding, and implementing this technology." Instead, he maintains that he is

> far more concerned with how workers and the union reacted to the technology, how it affected relations among workers and between workers and their supervisors, and whether it tilted the balance of power in favour of any one or other group (ibid:26).

Similarly, I will abstract from the issue of why container technology was introduced. While I briefly discussed the introduction of container technology in Chapter 8, a definitive business history on the topic has yet to be written, and

needless to say it is outside the scope of this study to do so. Nonetheless, from the few studies that deal (albeit tangentially) with this topic (see Sinclair 1973; Craw 1982), it seems that containers were introduced by shipping companies as much to get a competitive edge as to increase managers' control over waterfront work. However the more fundamental issue is that, incidentally, this technology has the potential to allow managers to (re)assert their authority in the workplace. Furthermore, because of the capital intensity and cost of container operations, the new technology supplies a motive for them to attempt to do so.

In Chapter 8 I made the point that the capital intensity of container shipping not only facilitates, but also *necessitates* decreases in ship turnaround times. To quote Finlay again:

> the container has introduced a sense of urgency and immediacy into stevedoring that was previously lacking. Because of containerization, employers now have a far more critical need to secure workers willing to supply speed and productivity (1988:90).

Although numerically fewer, workers are still central to container work, and moreover a premium is placed on the pace and quality of work. On container jobs, "management still depends on the patience, ingenuity and initiative" of watersiders (Wellman 1995:161). Far from eliminating the indeterminacy of the wage-effort bargain, subject to the strictures of a rationalized system of technical control, 'contractual silences' (Hyman 1995) in this area remain. On New Zealand's waterfront, these silences continued to be exacerbated by the bureau system of labour allocation, wherein employers still had no control over the watersiders they were allocated, and could neither 'employ' or dismiss workers at their own discretion. In this context, instead of realizing the potential for direct supervision which is inherent in container work, employers continued to place emphasis on the 'wages system' in order to 'buy' productivity, and there were

continuities in the indulgency pattern which existed on break-bulk jobs. Indeed, rather than the containerization enhancing the ability of employers to control workers, the opposite occurred: it led to the employers themselves becoming more fragmentated, a situation which, as I demonstrated in the last chapter, the unions capitalized on.

Thus the central argument I will make in this chapter is this: even if container technology has the *potential* to increase employer control of work, and if irrespective of the reasons for its introduction the capital cost of this new technology supplies a motive for employers to attempt to do so, this potential was not realized in New Zealand. In the next section I will describe the nature of container work, and then I will demonstrate that it has the potential to be better invigilated by teasing out changes in the relationship between foremen and gangs.

(3) The Nature of Container Work

Unlike break-bulk work, which is traditionally carried out by gangs of waterfront workers using cargo winches and basic hand-held equipment, a container operation uses wharfside container cranes, ship-board cranes, or tractor units (in the case of roll on / roll off vessels) to move standardized containers on and off the ship. Gangs smaller than those used in a break-bulk operation secure and release containers on the ship, while other individuals driving straddle carriers or forklifts move and position containers on the wharf.

In this section I will use material from my own fieldwork observations to corroborate the findings of Finlay and Wellman, to the effect that, rather than completely deskilling watersiders, container work gives rise to new sets of skills; and, moreover, despite the decrease in the levels of process uncertainty and the greater uniformity of tasks relative to break-bulk jobs, that managers continue to

be reliant on the skills and initiative of workers. In the discussion that follows, I will provide not merely a 'technical' description of work, but will also identify some of the advantages and disadvantages of this type of work from the point of view of the men who perform it. The point I want to make is that, in terms of the physical nature of the work itself, there are similarities with break-bulk work in the sense that container work has its own inherent conveniences and hazards, its own types of easy jobs and "dirty work" (Hughes 1951), and that it requires particular sets of skills and held its own intrinsic interests for watersiders. In doing so, I will focus particularly on jobs which the preceding studies make little mention of - those using shipboard cranes - which were of considerable importance on the waterfront at ports other than the four where container terminals were located. In this discussion I will leave aside issues of autonomy and discretion at work, which hinge on the relationship between foremen and gangs, and deal with them in the next section.

In the period under consideration, container work in New Zealand occurred in two different settings. Firstly, cellular container ships were (un)loaded in the four container terminals (at the ports of Auckland, Wellington, Lyttelton and Otago) using portside container cranes and straddle carriers. This is the type of container work that is most often dealt with in academic studies such as those referred to above. Secondly, container work was performed on 'conventional' wharves (recall that in New Zealand this term refers to all areas outside of the container terminals). This work took two different forms. The first of these is the work of (un)loading roll on / roll off vessels (which were prohibited from entering the container terminals). These vessels were also worked at the Union Shipping Company's 'Seacargo Terminals'. The second involved vessels which had their own shipboard cranes. As we shall see below, the work in each of these settings is

slightly different. In the following account, I will draw on my fieldwork observations of the three different types of container work.[1]

I will deal first with the process of (un)loading containers using ship-board cranes. This was a very important method of working containers because, prior to deregulation, the only ports that had portside container cranes were those where the four container terminals were located (although some ports did have large 'general purpose' cranes that could be used for containers). This method also allowed private stevedoring firms to work container vessels outside of the terminals, as only fully cellular vessels were allowed access to the terminals. For this type of work, gangs of watersiders were allocated to stevedoring companies on a job-by-job basis in the same manner as on break-bulk jobs.

Vessels with their own gear are often termed 'self-sustaining' as they have the capacity to load and unload containers without the use of a wharfside container crane. The actors in this type of work are similar to the ones on a break-bulk job: gangs on the wharf and on the ship supervised by foremen-stevedores, along with a crane driver and a hatchman. However the tasks they perform are different. I will describe a typical loading operation of a non-cellular container vessel using a single ship-board crane.[2]

Prior to being loaded, containers are usually stacked in a storage area close to the ship, arranged in the order they are to be loaded in. A heavy forklift is used to

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[1] Insofar as I conducted my fieldwork after the waterfront had been deregulated, and the bureau system of labour administration abolished, the following description of container work will be restricted to certain specific features of this type of work. The most immediate effect of deregulation on container work was to reduce gang sizes and to render the members of gangs direct employees of stevedoring companies. However my fieldnotes are valid, insofar as the observations in question relate to the *tasks* that are performed and the *skill-sets* that are utilized, which did not change after deregulation.

[2] Insofar as I provide an account of work which is based on my own fieldwork, the 'narrative strategy' I adopt involves switching between the past and present tenses (for a discussion of this type of strategy, see Zeller 1995).

move the container to the side of the ship, or alternatively is used to load trucks (comprising a trailer towed by a specially designed small truck). Typically, there is one forklift to two truck and trailer units. The forklift driver hoists each container, waits for a trailer to be positioned beneath it, and then lowers the container onto the deck. Because of the weight of the containers, even this relatively straightforward task requires a modicum of precision. I observed one instance when a forklift driver lowered the container too far to one side of the trailer, causing it to tilt, and the truck driver signalled that it needed to be repositioned by tooting his horn and making a hand signal.

The truck driver then tows the trailer onto the wharf and positions it beside the ship, alongside two containers that are sitting on the wharf. These containers are used as a work platform by the men on the wharf who are responsible for attaching the container to the ship's crane. Often there is a queue of two or three containers waiting to be loaded. There are two methods of attaching containers to the ship's crane. The first of these involves attaching wire cables to eyelets at the bottom four corners of the container. Each of the cables is linked to a central cable which is connected to the ship-board crane. When the cables are in place the container is then lifted. The second method is used for containers which do not have eyelets at the bottom. It involves using a mechanical device called a 'spreader' which, in essence, is a rectangular metal frame connected to the crane via a wire rope.

Arguably, using the spreader is harder because of the difficulties in positioning it correctly on top of each container. The spreader is lowered by the crane operator and ropes attached to each corner of the spreader are used by the men on the wharf to position it on top of the container which is to be loaded. Often it takes considerable maneuvering to get the spreader positioned on top of the container. The crane drivers exercise considerable skill in doing so, and it sometimes takes several attempts before it is successfully accomplished. The drivers I watched did

this with great patience and diligence particularly given that some of the cranes, on the older vessels which ply the Pacific Islands trade, are not in good repair and have unresponsive controls which the driver must 'wrestle' with.

Ultimately, however, the crane driver is dependent on the men on the wharf to get the spreader secured to the container. This was brought home to me while sitting in the 'cockpit' of a shipboard crane watching the driver (who I will call John) load a vessel. On this particular job, the forklift was taking containers directly to the side of the ship, and a forklift driver had placed a container slightly askew, relative to where the crane was descending. John watched with considerable mirth as the gang on the wharf struggled to get the spreader into place on top of the container. I said "what are they doing"? John said that they "didn't know the tricks" (fieldnotes). In this case "knowing the tricks" involved not attempting to pull the spreader into place, because of its considerable weight, but rather allowing the crane operator to lift and lower it again to slightly reposition it.

Another 'trick' was for the forklift driver to lift the container slightly to 'meet' the spreader. Similarly, unloading containers in this fashion takes longer than the loading operation because of the difficulty of lowering containers onto the trailers. In this case, the watersiders actually 'chase' the container with the trailer rather than relying on the crane driver to lower it directly onto a stationary trailer. Also some of the containers, such as 'half-units' made up simply of a base and a pillar in each corner, are particularly difficult to deal with. To position the spreader correctly on these requires very good timing and coordination, both by the gang on the wharf and the crane driver.

The broader point is that, although container work is standardized, it still requires knowledge of how to do it correctly. Watersiders possess, to use Wellman's (1995:161) phrase, "an implicit body of working knowledge" that management

depends on being used. 'The tricks' were an important part of this body of knowledge. Someone who did not "know the tricks" could make life very difficult for himself, and could be the subject of either humour, derision, or both. Equally, watersiders might "know the tricks" but deliberately decide not to use them, and work slowly, either individually or collectively (as in the case of a go-slow), or negligently. I witnessed what can happen when this occurs: on an unloading job one of the watersiders accidentally left one corner of a container in the hold coupled to the container below it, and when the crane driver attempted to lift the container found that it would not budge. Similarly, on 'reefer' jobs (those involving refrigerated containers), if a container is not unplugged before being lifted, in the words of a foreman, it "goes out with a flash", which can damage the unit or the power supply. Such mistakes need only occur a few times before a job would be slowed down considerably in a manner, as we shall see in the next section, that the foreman could do little about.

Once the spreader is correctly positioned on top of the container one of the men on the wharf pull a rope that locks it in place, and the container is then lifted. This is when the operation is at its most dangerous. When the container is first lifted, the crane driver has no control over the initial 'swing' of the container, which could easily hit a man on the wharf or, in the case of an unloading operation, could easily swipe a man off the deck. After the initial 'swing', the crane operator must make adjustments for the roll and pitch of the ship so that the container does not hit the side of the ship, the gang, or other containers. Although ships often have more than one shipboard crane it is not unusual (particularly on the smaller vessels) for only one to be used at a time, because the ship can become too unstable if they work simultaneously. A foreman (who was also an ex-seaman) explained:

> The way you use ship's gear, if you're lifting two containers at a time you get too much movement in the ship. So you're lifting forty ton, if they both lift together, you know, and the ship heels over. And then with a lot of the ships . . . [which] are smaller again, with their own gear, . . . they *list*. They really fall over when you pick up a twenty ton box. . . . When you're at the length of the crane, the jib crane, right out over the wharf, and then you pick up twenty tons! (Interview)

The pitching and rolling of the ship, caused by lifting one container at a time, poses a particular hazard for the men on the ship, who are often situated perilously on top of a stack of up to four containers. In the case of a loading operation, as I noted above, the ship rolls when the container is lifted, but on an unloading operation it rolls when the container is released. A very simple principle of physics is involved here ('for every action there is an equal and opposite reaction'). A watersider described this effect, from the point of view both of a crane driver and a member of a gang on deck, in the following manner:

> When you get a container on your crane, good as gold, but when you start swinging it out, the ship goes over. . . . And you're on top, three or four [containers] high. And as soon as the container lands on the deck . . . next thing you know the ship is coming back to balance again. . . . You [have to] balance yourself. . . . And sometimes in wet weather, you know, you balance yourself alright but you're liable to slide. And there's nothing to stop you from sliding right over the wall; you'd either land on the wharf or in the [sea]. . . . You've just got to brace yourself. And if there's another container already standing there, then you brace yourself on the other container. (Interview)

In general, the greatest danger to watersiders is when the container is in the air. As a foreman observed: "Once you lift . . . [a container] off the ground it becomes dangerous. Whatever's not on the ground is a dangerous object" (interview). This was brought home to me before going onto a vessel by the following exhortation: "never walk under a container when its in the air" (fieldnotes). In the vernacular of watersiders, the ship is separated into an "on" side (the side on which

containers are being lifted from the wharf to the ship or vice-versa) and an "off" side. A watersider who was showing me around a ship commented that: "If you didn't know any better and walked down the on side of the ship while a container was being lifted, you'd find yourself knocked into the sea with a dirty big container on top of you." (fieldnotes) I noticed that at all times when a container was in the air, even when it was some distance away from them, the men kept one eye on where it was.

A crucial actor in the loading and unloading of containers is the hatchman. As on a break-bulk job, where the hatchman directed the winch operator, on a container job the hatchman directs the crane driver (who often cannot see the wharf clearly) via a hand-held radio. One watersider went as far as to comment that: "The most important man, I say, on that ship is the hatchman. . . . His job is to inform the crane driver what part of the hatch the container is going to" (interview). Because containers (unlike break-bulk cargo) have to be precisely placed in the hold, the hatchman's instructions are crucial to the job. In carrying out this task, "the foreman tells the hatchman, and the hatchman tells the boys" (interview). But the hatchman also alerts the crane driver to any dangers, such as whether the ship is rolling too much, whether the container is in danger of hitting the side of the ship, and so forth.

When a container is being lowered onto the deck in the correct position, the gang aboard the ship grab the corners of the container, turn it the right way round, and push it so that it lands beside the next container. Sometimes it has to be lifted slightly in order to be positioned correctly. Again this is exacting and demanding work: a moment's inattention can result in a foot (or a person) being pinned under a container. Although I only saw this type of work on calm days, in the interviews I conducted it became apparent that this task was rendered even more difficult (and dangerous) by windy weather:

> You need the four men, one on each corner, to control the container. At times, if there's a bit of wind, four men can't hold it. And if you're trying to land a box that weighs fifteen tons, and you're trying to land it on four twist locks, and the ship's moving and the wind's blowing, . . . [they] would have a terrible job. To make matters worse, the ropes that are holding it are virtually straight up and down, so it's not as though you can pull [it] sideways. (Interview)

The containers on the outside of the deck take longer to position because they must be aligned with the pillars attached to the ship. Each of the two outside corners of these containers must rest on one of the pillars. Once the container is in position, one of the men pulls the release rope attached to one corner of the spreader to release it. The gang on the ship are then involved in coupling the containers together (in the case of containers in the hold) using twistlocks and ridgebolts. The containers on the outside of a stack on deck have to be 'lashed', which is physically demanding and often dangerous work. I will provide a description below of this type of work on cellular vessels.

The container terminal operation, the more familiar of the three ways of working containers, while broadly similar to that using ship's gear, is different in a number of ways. These operations use wharfside container cranes (which are several times larger than ship's cranes) that are on rails on the wharf, the jib of which juts out over the vessel that is being worked. Whereas heavy forklifts, sometimes in concert with truck and trailer units, are usually employed on conventional wharves to move containers around, in the terminals 'straddle carriers' are used. A straddle carrier is a tall and specialized vehicle, so named because it 'straddles' each container in order to lift or lower it. The straddle carriers move the containers to and from 'the stack', and position them or move them away from beneath the container crane. The container crane then lifts the containers and places them on the ship, and vice-versa when a vessel is being unloaded.

It will be recalled that, because of a union-enforced restriction, only fully cellular vessels were able to be (un)loaded in the terminals. In some respects these vessels are easier to load and discharge than non-cellular vessels, because the containers do not have to be guided into place by the gang on the ship, and the containers in the hold do not have to be coupled together. Instead, each hatch in the hold of a cellular ship is divided into a series of 'cells', which the containers snugly fit into, and the container crane operator simply lowers the container into the appropriate one. The spreaders that are used automatically attach to and unattach from the containers, and because they move straight up and straight down are easier to position on top of the containers. A foreman explains: "with a ship with cells . . . the box just goes straight down into a slot, and that goes down, it unhooks itself, and then you put the next one on top" (interview).

As with the self-sustaining vessels, new sets of skills are utilized within the container terminals. In the former case I mentioned the task of operating ship's cranes, which involved much dexterity and skill. In the terminals, the task of moving containers to and from the ship to the wharf (and vice-versa) was performed by the drivers of the portside cranes. It will be recalled, however, that the container terminals utilized a composite workforce that comprised both watersiders and harbour workers, in the ratio of six watersiders to one harbour worker, that were allocated for a period of a few months at a time. Under the original arbitrated decision which established the composite workforce, harbour workers gained the sole right to drive the container cranes (and watersiders the right to drive ship's gantry cranes). Insofar as container crane driving was not performed by watersiders, I will not provide a description of this type of work. Instead, the interested reader is directed to the excellent ethnographic description of the work of operating these machines provided by Finlay (1988:125-8) and Wellman (1995:166-70). Suffice to say that, like the drivers of ship's gantry

cranes, the work of container crane drivers was skilled and central to a container job.

Watersiders did, however, operate straddle carriers. Like container crane driving, this involved a new set of skills. The sheer size of the machines, and the fact that the driver is perched in a cab which is 25 feet from the ground, makes maneuvering them no mean feat. Moreover the driver has to respond quickly to instructions issued by radio. A watersider provides the following description:

> You're concentrating on what you're doing. Because you got your earphones on, you got your mic. here, you got your pad here. And they'd say 'oh, straddle six, 'speaking', 'go to G for George box 163'. So you've written all this down while he's telling you, so you go to G for George, go along and look down the row. Number 16, top container. And you pick that up, you back out [and tell them] got hold [of it]. 'Righto, better take it to the ship.' So you take it to the ship. But before you get to the ship, the foreman turns around and says 'straddle six, put it in Row Three'. So you go and drop that in Row Three. Soon as you leave that, someone says 'straddle six, go to G George, 162'. So you go back to G George and pick up 162, then you go back and you do it all over again. (Interview)

This work requires intense mental concentration. If the wrong container is picked up, the whole sequence of loading can be affected. And if a container is moved to the wrong place it can easily become lost amidst hundreds of containers in a container yard. Thus, as the same watersider continues:

> You're concentrating on what you're doing. And then they might turn round and say 'oh, go and pick up the forty foot spreader.' So you go along and you find out where the spreader is. So you put your spreader on. You call up 'got the forty foot'. 'Oh well, go now to row so and so'. And also they give you the container number as well. So you got all this . . . and you pick the container up, make sure you're in the right spot, make sure you're the right number, you pick it up and then they tell you if its either to go on to the road, or to the ship, or whether they just wanted it shifted from one bay to another. (Interview)

Opinions of straddle driving varied; just as Wellman (1995:167) found, there were watersiders who said that driving straddle carriers was tedious, because it just involved moving containers from one location to another (as is indicated in the first quotation above). But others said it was very good work. One watersider who I interviewed said:

> it was a good job. It was an interesting job. . . . Because you're on the move all the time, the time goes fast, and sometimes if there's no work for you, you park your machine up and sit up there. And if you got nothing else to do, you read the newspaper. . . . You're doing something different all the time. (Interview)

Thus, although there was intense mental concentration required, this made the job 'interesting', and it was broken up by the unscheduled 'rests' that drivers often were able to take. Sometimes these occurred when mistakes were made (often not by the drivers themselves). A union representative put it bluntly: "there will always be fuck-ups" (fieldnotes). A foreman explained a common source of problems:

> Where we get holdups is that if you're at the ship's side and you want a sequence of containers to go from the bottom to the top, say there might be six containers, so you write down the numbers of the six you want in the sequence you want them, and you send . . . a watersider round to find them. They go round and they look for them, and then they'll come back ten minutes later and say 'we can find such and such'. So of course then you call the office [to see] if its been received, and you find that it hasn't been received, its been cancelled or something like that. . . . So then you try to do something else in the meantime until its sorted out. (Interview)

Often it was when a 'fuck-up' occurred that an unscheduled rest could be taken by the straddle carrier drivers.

But the new skills exercised by qualified straddle carriers drivers (and container crane drivers) must be counterbalanced by the fact that on a container operation there still are 'shit jobs', a prime candidate for the worst of which is lashing. Whereas 'shit jobs' on a break-bulk operation were largely a result of the type of cargo that was being worked, lashing by its very nature is dirty and dangerous work. It involves fastening the containers on deck to the ship to prevent them from falling off when the ship is at sea (in the case of a loading job), or unfastening containers prior to them being discharged. A watersider described this type of work in the following manner:

> when you're lashing those containers . . . the locking bars and the twist locks, and also the bottle screws, are all full of grease. And the thing is, sometimes you've only got space of . . . well you wouldn't even have a metre space. You might have two foot between the containers that you've got to go in, and lash 'em. And you're crawling over the bottle screws that's already been up, and they're all greasy and its a very dirty job. Very dirty job. (Interview)

Because lashing involves working on deck, watersiders often have to work atop a stack of as many as four containers. This is particularly dangerous on the 'self-sustaining' vessels described above, because the ship 'swings'. Although using a portside crane does not cause the ship to swing (because it lifts straight up and down and is not connected to the ship itself), the ship still moves around if there is 'a swell', and thus there is still the danger of falling off the stack:

> When the wind is blowing a howling gale . . . and you're on top of the four high, and you've got forty foot containers being blown all over the place, and you're up there and there's nowhere to go . . . (Interview)

Another watersider commented:

> When you go three or four containers high . . . you've got to be taken up by crane in a box, and then you're supposed to have your safety belt on. That's only while you're in the box. Because if its blowing a very, very strong southerly, specially night, with oilskins on and everything else like that, and you got gumboots and its wet, you could slip. . . . Its a dangerous job. (Interview)

As well as the inherent dangers associated with lashing, the tasks involved are uniform. Finlay (1988:138) writes that "Lashing can be arduous, even dangerous, work, but it is routine unskilled work nonetheless." But he also notes that it is crucial to the job: "if the lashers worked too slowly, the entire operation would be delayed" (ibid). As in the case of working below deck on non-cellular vessels, the work must be done correctly using implicit working knowledge, and at a certain pace, if a job is to proceed on schedule.

The third of the three ways of working containers, the roll on / roll off operation, is quite different, and arguably simpler than either of the lift-on / lift-off operations. Using large forklifts, each container is placed on a four-wheel trailer unit designed to be towed by a truck. This can either be done in a cargo marshalling area, or at another site (some trailers arrive at the port with the container already on them). The rear of a ro / ro vessel opens, and a ramp is extended to the wharf. The type of vessel that I observed most frequently, had three decks. The trailers are driven into the middle deck (the 'tween deck) using a small tractor unit. They are then either raised to the upper deck on a gigantic elevator or driven to the lower deck on a ramp.

Although this type of work does not have the same difficulties and dangers as a lift on - lift off operation on the conventional wharf (such as attaching the spreader to the container and dodging the container as it is lifted), putting the container aboard on a four wheel trailer is no mean feat. Anyone who has attempted to manoeuvre a four wheel trailer can appreciate the problems of doing so within the narrow and

confined space of a ro / ro vessel's hold. Once again, like knowing 'the tricks', there is a hard way and an easy way of doing this, as the trailer can be either 'backed' or 'pushed' into place. A watersider noted that:

> Its easier trying to push a wagon with a container on top than it is trying to back it in. To push a wagon in, driving wise, it is easier. You're going forwards and you got two lines on your tow bar and onto the truck. And you got a bloke there pointing you. If you can't see he's pointing you. . . . [when] you bring it to the left, that means to say the wagon's going to the left. But when you're driving backwards, if you want the wagon to go left you got to turn right. So its easier to push one in. (Interview)

After the trailers are parked in place, they are secured to the deck using a series of chains, and are rendered immobile with wooden chocks which are placed under their wheels. This work is, in effect, a type of lashing. It is important that this job is done correctly, as the trailers can move while at sea with the pitch and roll of the ship. Although it is not as dangerous as lashing on deck, there is some danger to watersiders, if there is 'a swell', of trailers moving while being secured, or of being run over by an incoming or outgoing trailer.

Thus we have seen that, on each of the three types of container operations, there is considerable variation in the types of jobs performed by watersiders. Some jobs are simple, but others are complex; some are dirty and unpleasant, while others are clean and easy; some boring and others intrinsically interesting. Under the bureau system watersiders would be rotated between different jobs. Assuming watersiders had the requisite qualifications, they could at one time or another do all of the different jobs (both within the container terminals and on conventional wharves), which went a long way towards forestalling boredom:

> You had different jobs [on] different days. See now, going in say this afternoon, and you look up on the board [and see] oh I'm on the wash. So that means I'll go and wash boxes. And then you go

> in the next day, and you more or less know what's . . . . Like the ship's in, you're hatchman. Or you might go there as a straddle driver. So you do three months straddling, yeah, you do straddling. And then when you're back onto the [conventional wharf] you might be on the railway. So you're using forklifts, heavy forklifts to pick up containers and you stack them three high. Or you can use the top-lifter, if the straddles can't get to the wagons to take the container off, you can take them off by the top-lifter, off the railway. So I mean there was a variation of jobs which was very, very good. (Interview)

Although there were still 'shit jobs' (primarily lashing), because of the system of worker rotation no-one had to do these for long periods. Even watersiders without any 'tickets' could, for instance, be allocated as 'general duties' men within the terminals (to pack and unpack containers, clean sheds, wash containers and so forth), or on the conventional wharves they could work 'on the rail' or with reefer containers. A watersider commented:

> If you were on the rail you had two blokes doing the repairs and stacking and everything else, and one used to be looking after the shunting and loading of the railway wagons. When you're on the reefers your sole job was . . . to go over the frozen containers and when the forklifts came to pick up a container you make sure that everything's all clear for it to take off. (Interview)

There is no doubt that some of the tasks (such as lashing) are just as arduous as working with break-bulk cargo, but overall container work is less physically demanding. In contrasting container work with break-bulk work, one watersider said: "Everything was back-breaking in them days. . . . It was all manual work." Consequently, unlike the claims of labour process theorists (such as Mills 1979) regarding the degradation of work as a result of containerization, many watersiders were happy to see an end to break-bulk cargo. In a casual conversation with a watersider I said "There isn't really any break-bulk work left, is there?", to which he replied forcefully "No, thank God!" (fieldnotes). No doubt, matters of personal preference differed; another watersider, powerfully built, said he didn't mind the

occasional break-bulk job as it allowed him to get "a workout". Still other watersiders were equivocal; one reminisced about the 'old days' on break-bulk jobs:

> I look at it this way. Everything is a different sort of work, compared to what it was years ago. But if you want harmony, then you go back years ago. I mean when we were loading a meat ship, down below, everyone would be there, they'd be laughing and joking, and you'd be having a laugh with your mate and he'd be having a laugh with you. . . . I still go back to the old days. It was *bloody* hard work, but you enjoyed hard work. (Interview)

The mention of a meat job is interesting, for this same watersider, later in the interview, extolled the virtues of containers in eliminating these cold and uncomfortable jobs:

> I used to hate meat jobs, they were so cold. Just imagine first thing in the morning, going down and finding out your working in 27 degrees below zero. And you have to bring the thermometer down there, we could work as long as it was 20 degrees below zero, but not 27. And I tell you what, your hands used to get cold, your feet used to get cold and you couldn't feel your hands, and you're trying to pick up meat. When the containers come in, and they started loading containers with meat, thank Christ! I didn't like meat jobs, they were too cold for me. (Interview)

Although he enjoyed the comradery of a large meat job (which has no counterpart on a container job), he did not like the conditions in which such jobs were worked. The equivocation in this comment speaks to the fact that, from the point of view of watersiders, container technology cannot be viewed purely in black and white terms. Container work has its own inherent advantages and disadvantages.

In the preceding discussion I demonstrated that container work leads new sets of skills to emerge, which corroborates the findings of Finlay and Wellman. One

watersider reflected on the 'skilled' nature of container work in terms of formal qualifications:

> Well, put it this way, every job that I done on the waterfront . . . I had to get a ticket; ship's cranes, I had to go for a course for it; deckwork, I had to go for a course for it; driving an articulated truck, you had to get a ticket for it. You had to get a ticket for a 24 ton forklift. . . . This is what makes you laugh, they say you're not skilled, on the waterfront. But when you look around, and you've got to drive all these machines, and they look at you and turn 'round and say 'oh, you're only a bloody old wharfie'. But when you look at it, you're a lorry driver, you're a front-end loader, you're a crane driver, you might as well say you're a steeplejack going up on top of all these boxes. I mean the thing is, you're jack of all trades and master of none. (Interview)

More formally, in a useful corrective to the labour process school account of Mills (1979), Wellman writes that:

> The skills necessary for containerized longshoring obviously differ from conventional skills; but the modern technology has not eliminated skill. New skills are required, and thus, in some contexts, re-skilling is occurring. Mental activity is also necessary on the modern waterfront. Longshoremen working on container docks are thoughtful actors, using an implicit body of working knowledge to accomplish their tasks (1995:161).

Just like on break-bulk jobs, then, managers and foremen are still dependent on watersiders to utilize this knowledge on each of the three types of container operations. As I observed on numerous jobs, even slight mistakes (like wrongly positioning the spreader, failing to disconnect reefer containers from their power supply, or failing to uncouple containers from each other), let alone organized go-slows, could cause costly holdups. As Wellman (ibid:164) puts it, despite the degree of mechanization on container jobs, "the pace of the modern hook is determined by the hands of longshoremen on levers in cranes and lashings on containers."

Despite technological change, physical labour remains the most characteristic form of work.[3] Thus the dependence of managers on workers has not been eliminated by containers, and indeed in some ways has been heightened (because of the increased premium placed on ship turnaround time). The counterpart of this dependence, however, is that container work does have the potential to be better invigilated and thus the potential to be better controlled by management.

(4) The Foreman's Gaze : 'Boxes and Numbers'

In the preceding section I have held in abeyance issues of autonomy and control. Insofar as these hinge on the relationship between foremen and gangs, I will now examine the (changed) role of the foreman within a container operation. The formal management hierarchy was not greatly changed by containerization. As before, the larger companies had a middle-management hierarchy that was comprised of the positions of master-stevedore, cargo supervisor and foreman-stevedore. But, if the positions that made up this 'system of supervision' were largely unchanged, the tasks their incumbents performed differed. In this section I will focus specifically on changes in the role of the foremen-stevedore. It will be recalled that in the break-bulk system the foreman's work was divided between 'service' and 'labour control' tasks. This division remained under the container system, but the nature of the tasks involved changed.

The reason why in the break-bulk period, as well as exercising a labour control function, foreman worked in a technical service capacity largely hinged on the discontinuous nature, and inherent variability of break-bulk work. There was a constant stream of 'new' information (e.g. cargo plans and labour lists) and

[3] For a comparable case, see the discussion of chemical production by Nichols and Beynon (1977).

service tasks (e.g. rigging of gear and 'setting up' of the job) which had to be performed on each job. As one foreman (Grant) remarked: "there was never two ships the same, or two cargoes the same" (interview). Many of these 'service' tasks (which were central to the foreman's skill) were eliminated when containerization occurred, because cargo ceased to be variable. Standardization eliminated all rigging and re-rigging of gear. Whereas previously, "you'd be shifting gear quite often depending on where the cargo was in the hatch", on container vessels gear was not rigged or shifted. Grant noted: "there's no rigging of gear or anything like that, as it was in the old days" (interview). Similarly, foremen no longer required extensive knowledge of different types of cargo, and of how to stow it in the hold. In effect, these changes made redundant all of the foreman's specialist knowledge of different types of cargo and methods of working cargo. One foreman I interviewed (Ray) expressed the changes in the following way:

> Its more standardized, you don't get the unknowns like you could before . . . its more of a regular type of job. You know, it is getting more like a factory. (Interview)

However new service tasks emerged in the place of the ones that were eliminated. The other side of standardization is that work must be performed in a pre-determined order, as specified on the cargo plan. Thus the primary service task centered on following the cargo plan to the letter by monitoring the sequence of containers. Ray commented:

> the cargo was all the same, they were boxes and numbers, so you worked with numbers, numbers and numbers. Because every box that's loaded into a container ship is pre-planned, and every position on the ship is numbered. (Interview)

Before each job, foremen were given a plan which set out where containers were to be loaded, or which ones were to be unloaded. The containers were identified by a number which corresponded to a position on the ship:

> You get a, its almost like a sheaf of plans. . . . You get the plan and each space on it has got a number on it. (Interview)

Rather than 'setting up' the job (by ensuring that gear was rigged and so forth), at the beginning of each job the foreman had to concentrate more intensely on the cargo plan. Ray said that: "When you arrive in the morning, of course, getting the plan is the main thing." He continued:

> You . . . get a list of a list of papers handed to you by any member of the office staff that are there. And they say 'oh, you're doing so and so, here's the plan' and away you go. So you don't have any pre-briefing or anything at all. You go to the ship, and you've got all the papers. They've been compiled over a period of time, and whoever put it together has a fair idea, but you're given it at the starting time. I've always maintained that we should get more notice so that you could sit down quietly and go through the whole procedure, get an idea of what you're going to do, instead of getting all the men on the job at seven o'clock in the morning, you've got all the papers and away you go. Well it would be nice if you just had that, even half an hour to go through [them]. (Interview)

The reason that concentrating on the plan is so important is that it had to be followed to the letter - there is no room for error. This is particularly crucial in loading containers (according to ports of call, container weights, and so forth). If just one container is out of sequence, then the whole job will be out of sequence. Unlike the plan of a break-bulk job, the plan of a container job cannot be altered. To quote Ray again:

> everything's done because there's a reason behind everything. And if you do exactly as the plan tells you, you've got no problems. (Interview)

Containers must arrive at the ship's side in the sequence that they are to be loaded in, and a foreman on the wharf directs this part of the operation using the cargo plan. Similarly they must be picked up and placed on the ship, in the designated space. Ray again: "Loading or discharging, you check the numbers off so you know exactly where you are." If a foreman made a mistake in reading the cargo plan the effect could be disastrous. Grant recalled a number of instances when this occurred:

> there have been times where they've put about twenty boxes [in], and then found that they'd put in the wrong [one], they'd made a mistake. A couple of times where a new bloke came and, looking at the plan, instead of looking at the bow, looked at the stern and put them all in there. . . . [He had to] take them all out, you'd lose two or three hours. (Interview)

Thus the foreman's 'service' function changed such that, instead of rigging gear and 'setting up' the job, it centered more on intensively monitoring the order (or flow) in which containers were (un)loaded. Changes in foreman's 'service' function, were also accompanied by (not unrelated) changes in the 'labour control' function.

First and foremost, containerization narrowed the foreman's "span of control" (Perrow 1972:37), that is, the actual number of watersiders under the control of the foreman on each job. To quote Ray:

> containerization meant that you had a lot fewer men. And instead of working say five or six gangs on a ship, that means five or six hatches, you'd be probably working only one or maybe two. (Interview)

Similarly, the work the gangs perform is also much more visible than on a break-bulk job, where several gangs would often be working below deck in a hatch and out of sight of the foreman. Container jobs provide the opportunity for foremen to

more intensively observe the gangs. Hatches are open and the foreman on deck usually has a good vantage point from which to oversee the men and their work. As a foreman said "you can see at a glance if they're all there" (interview).

Not only could container work be better invigilated, it had to be so. Because of the sequencing process, work had to be done in a particular way and the foreman was required to be constantly vigilant in watching for mistakes. There was less room for errors, and the workflow system demanded the foreman's constant attention. Grant said that there were:

> Less men to supervise, but more cargo supervision than before. Because whereas in the past if you were going to load a whole lot of sacks, or anything at all, once you saw where they were going that was it. But with containers you've got to watch each individual one to make sure it goes in its individual slot. Because they're different ports, different weights, different all sorts of things, and they must be stowed in the correct place. . . . You got to make sure that . . . each and every box is going in the right place.

Although the foreman supervised fewer gangs than on a break-bulk job, it was more important that the gangs worked in a particular way. In break-bulk work there was considerable leeway in the manner in which cargo was stowed. A foreman commented that: "Providing they were in that end of the hatch, and it was accessible at the other end, there was no problem. So it [the cargo] just sort of went together the best way, you know, the way it arrived. They did the best they could with it" (interview). However, with containers, it was very important that work was done correctly as one mistake could through the whole sequence out. Ray said that there was a shift in his role:

> More to watching the cargo. You know, the men don't have so much to do, but its more important they do it exactly right. I mean there's no room for error, its got to be spot-on. You know, you can't exactly turn round and say 'well that will be near enough' or

> 'she'll be right', sort of thing, it's got to be right according to the plan. (Interview)

In a sense, because of the nature of the operation, watching the cargo is tantamount to watching the gangs. Whereas previously a foreman could set up a 'run' of break-bulk cargo (and would have several hatches to mind at the same time), and would simply look to see that the hook was moving, on a container operation, foremen had to watch each and every container - rather than just ensuring that the crane was working. Ray observed that:

> You have to be able to concentrate. And I mean its not just one after the other sort of thing, there's a gap in between, but you can't afford not to be there. And you may look as if you're standing around totally idle, but if you're not actually within range of what's happening . . . Its less interesting because you're glued to that position. I mean you can't wander away, whereas the old days of loading, maybe if you were on a meat ship or something and you're loading for one port and all hatches are working, you could stand at the top of the gangway and see that everything's working. And as long as it was going in and out, there was no problem. But this job you've actually got be there to be able to read the number on the container. . . . There are times when it is easier, and there are times when it can be, you know, restrictive. You dare not go away. It's not a matter of you can't trust anybody, it's a matter of there must be somebody who actually checks that its correct. (Interview)

As I noted above, mistakes could be disastrous. Ray continues:

> if you go away and you find that they've put four or five containers in, and they've gone into the wrong cell or something, you've got problems. You've got to get them out as quick as you can and put them in the right place. You can't turn round and say 'oh well, she'll be right, I'll tell the [ship's] mate and he can alter things', because its not done that way. . . . The whole chain would be upset, because its all pre-planned. . . . Its got to be exactly right. (Interview)

Ray contrasted the sort of supervision on the 'pre-planned' container jobs with that on a break-bulk job:

> You can't go back and check after its happened. You know, you've got the ships with the cells in them, you put one box down on the bottom and the next one comes over the top. You don't know what's underneath. So you've got to observe each and every one. . . . Whereas on the break bulk, we could . . . say six trucks of barley to go into a particular hatch. Well you'd tell the gang that's their six trucks, and of course away they would go, and it was going into one position. Well that virtually took care of itself. You know, you didn't have to constantly be there. But with a container ship, if you say 'that goes in there, and that goes there', and you walk away and you come back and for some unknown reason its just, you know, a slip or something and its gone down in the wrong cell. (Interview)

Thus a container operation provided the opportunity for constantly monitoring gangs, and also a reason to do so.

In this section I have demonstrated the amenability of container work to direct and continuous supervision, which hinges on changes to the role of the foreman within container systems. I have shown how container work demands the foreman's constant attention. Under the break-bulk system the foreman's gaze is sporadic, but on container jobs it is constant. As Wellman (1995:171) notes, container "work can be audited and monitored and is usually done in full view of supervision." However, this potential for a better invigilated labour process does not automatically translate into greater control of work by management (and yet on container jobs it is more important that watersiders perform work in a particular way and at a particular pace). Indeed, my argument is that on the waterfront in New Zealand, given the conditions which prevailed under the bureau system of labour administration, the potential for greater employer control was not realized.

(5) Control on the Job

In Chapter 6 I argued that the degree of control of work practices watersiders exerted on break-bulk jobs had as much to do with the organization of the labour market, as the nature of the labour process. This is demonstrated again by the fact that containerization, which had the potential to lead to greater employer control on the job, did not result in this potential being realized. Instead, the strength of the port unions in the labour market, which persisted up until the mid-1980s, was mirrored in watersiders' control of work practices.

In large part this was due to the fact that the bureau system of labour administration continued to deprive employers, even on container jobs, of "their power to hire and fire" (Edwards 1979:16). But it also was a result of the fact that the waterfront unions' control over the labour market was strengthened after containerization (for example, through the use of supplementary registers to 'squeeze out' casual labour). In Chapter 10 I demonstrated that a national labour market developed, and that the unions exerted greater control over an (albeit shrinking) labour supply. Similarly, in the last chapter I demonstrated the unions' strength in bargaining. Each of these aspects of labour market strength impacted on work relations by bolstering the willingness and capacity of watersiders to effect disputes at the workplace level.

The employers' lack of ability to hire and fire (which weakened the foreman's position) was exacerbated on container operations, where the quality and pace of work were at a premium. With the exception of the four container terminals, and the Union Shipping Company's 'Seacargo Terminals', all watersiders continued to be allocated for the duration of a job only. But even in the two types of terminals, a system of worker rotation was secured (see Chapter 10). This system preserved the 'averaging' effect, with respect to the allocation of work, which in turn

maintained the horizontal (rather than hierarchical) properties of the labour market. Different qualifications notwithstanding, all watersiders were provided with broadly similar work opportunities. Equally, employers could not specify who they wanted, and had to accept the gangs they were allocated.

As was the case with break-bulk cargo, the actor who these tensions were refracted through was the foreman. In the preceding section I demonstrated that, although the foreman's 'span of control' decreased, it was vital that work was performed in a particular way. Simply being able to see men work does not automatically guarantee greater control over them; foremen (and indeed the whole management hierarchy) had no more control of watersiders than in the break-bulk era. There is every indication that, as was the case with break-bulk work, watersiders on container jobs simply did not tolerate foremen attempting to assert their authority. A foreman commented on this problem:

> No foreman could go on the job and start waving his arms around and . . . playing the big guy, because he would soon be brought down to size. . . . A few did, but they never lasted very long. (Interview)

When I asked a foreman about what could be done if their were problems with discipline on a container job, he replied:

> Well you could put them on penalty. There were occasions when I put men on penalty. I never got much satisfaction out of it because they always came back and had the last say. . . . It was the sort of thing that you tried to shy away from. Threaten, by all means. (Interview)

Watersiders could be reallocated to the same foreman at a later date. However, the other side of this was that foremen would be rid of a troublesome gang. The same foreman said he would:

> mostly grin and bear it. It never lasted, that was the thing, because you knew tomorrow, maybe, they'll be replaced, you'd get somebody else, the job would finish. (Interview)

The limited power of foremen to discipline watersiders had its concomitant in the labour market strength of the union, which was reflected in the capacity and willingness of watersiders to slow work down (or stop it altogether) on container jobs. Although, as I will show below, one of the potential sources of disagreement - negotiating over rates - was eliminated, there were numerous other issues that arose which rendered stoppages on container jobs a not infrequent occurrence. Two of the most important of these were lines of demarcation and gang manning. While demarcation issues had been resolved in the terminals (via the composite workforce agreement), they arose frequently on ro / ro and lo / lo jobs outside of the terminals. And, as I demonstrated in Chapter 11, issues of gang manning came to the fore in the 1980s. I will provide now some examples of actions taken by watersiders over these issues.

The degree of control watersiders exerted on the job is indicated by the fact that lines of demarcation were policed with ever more vigilance after containerization (particularly in the 1980s, when severe downward pressure was placed on register strengths by the employers). The following example is a case in point. In 1985 a dispute occurred at Lyttelton, which concerned a roll on / roll off vessel owned by Pacifica Shipping. The issue at the heart of this dispute concerned the 'point of rest', namely the place where watersiders' responsibility for moving containers ended and that of harbour workers began. The dispute concerned a practice which had been challenged both by the Lyttelton Harbour Board and the Harbour Workers Union regarding what was the 'normal area of work' for watersiders. The employers wanted it registered as a demarcation dispute and sent to the Waterfront Industry Tribunal for resolution, but it was first heard at a Port

Conciliation Committee meeting from which I have taken the following excerpt.[4] (Mr Hayes is the employers' representative and Mr Quince is the union representative.)

> Mr Hayes: The stevedore has given instructions which the watersiders have disobeyed.
> Mr Quince: What is the normal area?
> Mr Hayes: The area that has been used on the instruction of the stevedore.
> Mr Quince: Then that area that the cargo is in has been the normal area worked if the stevedore has so desired.
> Mr Hayes: It changes depending on the requirements of the company.
> Mr Quince: Does the company have the right to go into that area?
> Mr Hayes: You are disobeying the stevedore's instructions. Normal work is what is needed to do the operation.
> Mr Quince: Us going across this imaginary line is normal. . . . Someone comes out of the blue and decides it is a demarcation dispute. A demarcation dispute only comes up if it is a new area of work. . . . You saw what happened this morning. If you want hundreds of people locked in physical combat, you will get it. Our members are adamant on this.

Although the vehemence with which the Lyttelton Union pursued the issue, and the fact that the stoppage subsequently extended to the container terminal, were perhaps unique to the 1980s (when the unions faced shrinking work opportunities and came under pressure for redundancies), this type of 'boundary' dispute was not in itself unusual. The cost of such stoppages to employers was considerable and often resulted in the issue being conceded.

'Go-slows' were another way in which watersiders responded to issues in dispute on the job. There were two different types of go-slows. The first was a formal union authorized go-slow (sometimes under directions from the national executive

[4] Minutes of Lyttelton Port Conciliation Committee Meeting 394, 16/10/85. Waterfront Industry Commission Records, W3472, Box 164, 3/6/13 (National Archives).

of the Federation) designed to put pressure on employers at times of negotiation. There were numerous examples of this tactic during the 1970s. The second type of go-slow was one that was initiated by the watersiders themselves relating to a particular job. For example, a dispute occurred at the Lyttelton Seacargo Terminal in 1985, over the packing and unpacking containers within the terminal, which resulted in a worker-initiated go-slow at the terminal.[5]

The unions rigorously policed gang strengths on container work. For example, one case (which eventually was taken to the Waterfront Industry Tribunal) involved the number of lashers on a job involving a quayside container crane at the Port of Auckland in 1980. In this case the Auckland Harbour Board (the container terminal operator) attempted to circumvent an agreement that each of the two portainer cranes should have an eight man lashing gang; when a third crane was brought into operation, on an 'as required' basis, the Board sought a six man lashing gang. The Tribunal noted that: "This proposal was conveyed by the operations manager of the Board to the union walking delegate by telephone early one Saturday morning."[6] In this case, the Auckland Union vehemently opposed the proposal, and it was taken all the way to the Tribunal (which decided in favour of the Union).

Although the local union opposed this proposal by the employers, there were numerous cases (which are evident in Port Conciliation Committee minutes) where employers attempted to alter gang sizes (by releasing labour improperly, for instance), where the men on the job actually initiated a dispute. This continued to occur even after the General Principal Order was 'restructured' in 1987 (see Chapter 11). For example, at the Port of Lyttelton a gang of watersiders engaged

[5] Minutes of Lyttelton Port Conciliation Committee Meeting 399, 6/12/85. Waterfront Industry Commission Records, W3472, Box 164, 3/6/13 (National Archives).
[6] WIT Decision 776, 12/11/80. Waterfront Industry Commission Records, W3472, Box 57 (National Archives).

on a devanning job would not work until an extra man was appointed. In the words of an employers' representative: "Men have been engaged to do devanning . . . . Four men in the container gang and one pointer. The men refused to start working. They claim an extra pointer should be employed."[7] This case was subsequently taken to the local Port Conciliation Committee and the Union won.

In the preceding sections I have demonstrated that containerization changed the way that work was carried out. Although many of the tasks involved are less complex than their counterparts on break-bulk work, there is a premium placed on carrying them out correctly and at a certain pace. Furthermore, because of its capital intensity, the cost of a container job that is subject to a go-slow (or a stoppage) is much higher than that of a break-bulk job. Far from decreasing the workplace power of watersiders, in this sense containers increased it - despite the potential of container work to be better invigilated. This idea is succinctly encapsulated in a felicitous statement by Finlay (1988:121): "The ease of monitoring worker performance does not mean that it is easy to control". This was particularly the case in New Zealand where the system of labour administration, and their labour market strength, placed watersiders in a position of some considerable power on the job.

The employers' lack of ability to effectively discipline watersiders, and their capacity and inclination to engage in action on the job, led to a continued management emphasis on the 'wages system', in order to elicit cooperation, and continuities in the indulgency pattern which existed on break-bulk jobs. I will deal with each of these facets of work relations in the following sections.

[7] Minutes of Lyttelton Port Conciliation Committee Meeting 421, 16/8/87. Waterfront Industry Commission Records, W3472, Box 164, 3/6/13 (National Archives).

(6) 'Money and Motivation'

It will be recalled from the discussion of work relations in Chapter 6 that management in the break-bulk era was, to a large degree, 'management through the wages system'. Elements of this employer strategy continued, albeit in modified form, on container jobs. This took the form of attempts to 'buy' cooperation and productivity in order to minimize disruptions to work. There were however changes to the way that this *quid pro quo*, which centered on the wage form, operated.

First and foremost, the elimination of variable cargoes impacted on the wage structure. It will be recalled that the non-standardized nature of break-bulk cargo provided the opportunity for on-the-job bargaining over 'special conditions' associated with different types of cargoes. These negotiations resulted in rates being settled well above the standard 'book rate', which came to serve as the starting point for negotiations. Insofar as containers were standardized, the many different 'book rates' for different classes of cargo, together with on-the-job negotiations over rates, were eliminated.

The bonus system also was modified to take account of containers. This occurred when the bonus system as a whole was revamped in 1970 (as a result of negotiations which occurred during the Waterfront Conference) through Principal Order 306. The incentive contract rates which were set replaced all Waterfront Industry Commission cooperative contracts and employers' incentive schemes which operated at ports throughout the country (see Chapter 6 for a discussion of these latter). The new system simplified and standardized the calculation of bonus payments through a series of 'trade' and cargo classifications.[8] It should be noted,

[8] Under the new system, rates were established for particular classes of cargo in particular trade categories (which were determined by geographic trading areas). These were calculated on the basis of average bonus payments per unit of cargo with minimum standard ship's gangs for the 12

however, that bonus payments continued to be pooled at all ports.[9] A standard bonus rate for containers at each port was calculated using conventional rates as a basis. Apart from interport differences, which were the result of variations in the rates of work that were used to calculate bonus rates, on container jobs the variability of bonus rates associated with different types of cargoes was eliminated.

The standardization of cargo thus eliminated the aspects of the wages system that hinged on different types of cargo (variable bonus rates and special rates). This was accompanied by a shift from informal to formal negotiations, as negotiations on the job over the 'terms of the effort bargain' were replaced by formal negotiations between unions and either the employers' organization or individual employers. This shift limited the extent to which watersiders could exert their workplace power in bargaining on the job - deals had already been done, and wage rates struck by negotiations between the unions and the employers. That which previously was a function of the work-group became a function of the union.

Nonetheless, watersiders were paid high wages for the majority of container work. As I argued in the preceding chapter, rather than containerization enhancing the ability of employers to control workers, if anything it led to a fragmentation of employer interests and organization which was reflected in agreements wherein employers attempted to 'buy' cooperation at the level of work.

In the four container terminals standard rates were negotiated which took the place of special rates and dirt rates. The original arbitrated container terminal agreement

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months ended 30/9/68, increased by a standard figure of 10.64%. Because levels of productivity differed between ports, contract rates for the same classes of cargo in the same trade area differed in like fashion.

[9] Principal Order 306 specifically states that "The payment of incentive contract bonus shall be made in accordance with port arrangements. It will be recalled that, by the time this order was agreed to, the 'arrangement' at all ports was for the bonus to be pooled (see Chapter 6).

resulted in the payment of a flat rate to all workers who worked in the terminals, which took the place of special cargo rates and dirt rates that might otherwise have been earned on a break-bulk job. These rates were, in the words of a Federation publication, "paid to all Terminal workers irrespective of what they are doing or where they are doing it."[10] On the job bargaining was replaced with standard rates for container work. Similarly, at the time the agreement was established, an 'equity payment' (to compensate for a decrease in the amount of work available resulting from the use of containers) was secured by the Waterside Workers Federation for full container load containers which passed through the terminals. Thus there was a shift towards formal negotiations between unions and either the employers' organization or individual employers, which took the place of on-the-job haggling over rates between gangs and foremen. A foreman I interviewed described this change in the following manner:

> they still got a rate for containers. I could never work that out, how that came about. But we were never involved in striking rates. . . . It was between the Union and the Company. (Interview)

It was partly because of such standard rates that, despite the elimination of on-the-job bargaining over rates, the wages for work at the country's four container terminals, which were contained in the separate container terminals agreement, were considered by watersiders to be excellent (see Chapter 10). Watersiders were paid very well to work in the container terminals, and consequently some saw this as the most desirable of waterfront work. One (now retired) watersider said:

> when you [were] . . . around the container terminal for three months, you know you're going to have three months good money. . . . You know, in them days you came home and say to Mum, 'well

[10] WWF Circular "History of Container Introduction and Development on New Zealand Waterfronts", 1980.

> I've got the container terminal for three months'. . . . You know that you've got three months good wages coming in. (Interview)

To be sure, not all of the attraction of container terminal work centered on wages: conditions of work were also good. As I noted in the previous chapter, a four day working week had been secured, along with very high overtime rates.

Although the wages and conditions for working containers over conventional wharves were not the same as those in the terminals, they were nonetheless very good. In Chapter 11, I demonstrated that numerous 'satellite' agreements (in the form of one-off Principal Orders) were negotiated by the Federation and the port unions with individual companies. Through these agreements individual employers sought to 'purchase' increased turnaround times and uninterrupted work for container vessels that were worked on conventional wharves by making concessions on wages and conditions, which the local port unions and the Federation capitalized on.

However the terms and conditions of work on container jobs, which generally were superior to those on break-bulk jobs, still did not guarantee, at the workplace level, that work proceeded as employers wanted it to. At best, they provided a modicum of 'protection' against stoppages and some degree of assurance that work would proceed at a certain pace. Moreover, it was not the case that these better terms and conditions were traded off against watersiders' control of work practices. Indeed, because of standardized rates, watersiders were unable to "exert much influence over the 'wage' aspect of the effort bargain" (Edwards 1986:259) on container jobs, and this standardization took this aspect "of effort bargaining away from the individual work group" (ibid:241). In this context, practices such as spelling assumed an added significance as an area where watersiders could exert their workplace power. As we shall see in the following section, the

indulgency pattern which existed on break-bulk jobs, at least with respect to spelling, continued on container jobs.

(7) Continuities in the Indulgency Pattern

In this section I will demonstrate that, far from eliminating the informal work practices which characterized break-bulk work, in relation to container work management continued to remain 'indulgent'. Significantly, there is every indication that on container jobs foreman (and management generally), at least with respect to spelling, were as 'indulgent' as on break-bulk jobs.

In Chapter 6 I argued that an important feature of the indulgency pattern regarding spelling was as part of the effort-bargaining process. While this was still the case to a certain degree on container jobs, informal practices such as spelling became less of a *quid pro quo* with foremen (and managers) and more an expression of the sheer workplace power of watersiders. There were two aspects to this shift: it was conditioned by an expectation by watersiders themselves that spelling should continue, despite substantial differences between the two types of work, and it was occasioned by high manning levels the Federation had achieved for container work. These manning levels were, in turn, a product the Federation's degree of control over the labour market (see Chapter 10). I will deal with each of these factors in turn.

First, the expectations on the part of watersiders regarding spelling were conditioned by the fact that break-bulk and container work occurred side-by-side. It must be emphasized that, although the proportion of break-bulk work was diminishing, the two types of work co-existed for much of the period under consideration. Because allocation to work on conventional wharves was for the length of a job, watersiders thus had experience of both types of work, and often

would alternate between a container job and a break-bulk job, depending on the vessels that were in port. The degree to which watersiders switched between the two types of work is highlighted by the fact that some ships, like the 'multi-purpose vessels owned by Gearbulk Shipping (which I mentioned in the previous chapter), carried both types of cargo. A foreman said:

> On the first change-over you had ships, and you still have ships come in, with break-bulk and containers, and the same foreman's doing both. (Interview)

Not only was it the same foreman, it was the same gangs that did both types of work. This meant that the relationships between foremen (and management generally) and gangs, and the expectations surrounding work practices, on the two different types of jobs became blurred. To be sure, the watersiders allocated to the country's four container terminals did container work only, but even there the system of rotation meant that, within the short space of a few months, watersiders experienced both types of work.

However spelling was not merely the result of worker expectations; equally important for (continuities in) the indulgency pattern were levels of gang manning. If part of the key to spelling on break-bulk jobs was gang sizes, this factor increased in significance in occasioning spelling on container jobs. As I noted in the previous chapter, gang sizes had not been reduced significantly by containerization. Indeed, it is a testimony to the success of the Waterside Workers Federation in influencing the terms on which containers were introduced that gang sizes for container jobs still were high. The comment made by Auckland Union President Jack Clare in 1974 (which I quoted in Chapter 10), to the effect that he believed the Auckland container terminal had the highest manning levels in the world, is worth recalling. Although this is a rather extravagant claim, it does speak to the degree to which the Union kept gang manning levels up, in the face of

containerization. The dispute in the Auckland terminal that I mentioned in a previous section, where the Union sought to defend the use of an eight man lashing gang (against employers claims for a six man gang) by making it the subject of a Waterfront Industry Tribunal hearing, indicates the lengths that the unions were prepared to go to in defending gang strengths for container jobs. This success of the Federation in getting allocated to the container terminals 'general duties' men, who packed and unpacked containers, washed containers, cleaned sheds and so forth, was also important as a way of 'soaking up' labour in the terminals.

However these gang strengths (which approximated or even exceeded those on conventional jobs) were not unique to the container terminals. For container jobs on conventional wharves, gang strengths were not much different than those for break-bulk cargo. A touchstone of comparison is that a standard general cargo hold gang was six men (with four men on the wharf). This manning scale was retained on some types of container work. For instance, one of the vessels I went onto in 1991 (after gang strengths had been decreased substantially following waterfront reform), a small non-cellular container vessel with containers in the hold and on deck, had a three man gang freeing containers which were then lifted using the ship's crane. I was aware that in the days prior to waterfront reform this type of work had been performed by a 6 man gang. Although the gang worked at a steady pace, I simply could not see how 6 men could be occupied by the tasks involved. Worried that this reflected my lack of understanding as an outsider, I asked the hatchman (who was also a union delegate) about it, to which he replied that it had been part and parcel of the "good old days" - a central feature of which had been spelling (fieldnotes).

This type of sentiment was repeated in interviews with foremen. When I asked a foreman (who supervised work on conventional wharves) whether spelling occurred on container jobs prior to waterfront reform, he replied immediately:

> Oh yes. Even more so, because they still retained the number of men they'd had for conventional ships, on a container ship. (Interview)

A retired watersider described the type of spelling system that operated on container vessels that were worked outside the terminals:

> When you're not doing containers you're doing lashings. Especially on deck cargo, and the thing is you had six in your team. . . . So what you do . . . . if you're on twist locks or anything else like that, well you break down in threes. (Interview)

Although it was slightly different, a type of spelling system also operated in the container terminals. To be sure, often work was supervised by more foremen in the terminals. This is how a watersider, with considerable container terminal experience at the Port of Lyttelton, described the situation:

> Round the terminal, every job that you had, you'd have a different foreman. So you had a foreman for the rail, you got a foreman for the freezers, you got a foreman on the ship, you have another foreman doing break-bulk if there was break-bulk to break down, a foreman for the wash. So you might have one foreman for three men. That's right, you had three men over the reefers, you had three men at the rail, and each of those three men had a foreman each. . . . They had more bloody foremen than you had bloody workers. . . . This is what used to make us laugh, because there used to be . . . more chiefs than there was indians. (Interview)

In the interview I asked him whether the number of foremen put a stop to spelling. He replied:

> Oh no. I mean the thing is, you know, if you were on the rail and you were doing your shunting like, looking after the straddles going onto the railway wagons, you don't have a break until there's nothing coming in and then you can have a break. (Interview)

Even though there were a considerable number of foremen, watersiders still had the opportunity to spell. In some cases (such as the one above) this practice was limited because of the amount of work, but men could rest when there was no work. But in other areas it was left to the men to decide. The straddle drivers had a certain amount of freedom in this area. A watersider said: "The only thing the straddlers haven't got, they haven't got a foreman." And there were two men per straddle: "when I first went on the waterfront, you used to have two blokes to one straddle. And you do an hour up and an hour down. Because you sit in a straddle for a bloody hour and I tell you what, because you're concentrating on what you're doing" (interview). In this case, the watersiders themselves decided how best to organize their rest periods.

High manning levels, however, did not *automatically* result in spelling being tolerated by management. Rather it was tolerated because the job would not have worked properly without it, a feature which derived from the continued expectations of the watersiders, and ultimately was an expression of their workplace power. One foreman stated that:

> if you turned around and said 'well no-one's going to leave the job' . . . they'd all be there. But the next day you'd find things never sort of worked. You found you had all sorts of problems. And then when you sat down and thought about it, you'd say well its just being bloody-minded to say 'well I've got nothing for you to do but you stay here'. (Interview)

It would have been particularly futile to have kept men on the job given that, like the break-bulk jobs, management needed the cooperation of watersiders. Rather than the indeterminacy of the wage-effort bargain being eliminated, subject to the

strictures of a rationalized system of 'technical control', there remained many 'contractual silences' surrounding how container work was performed. Continuing to condone spelling was, in terms of relations at the 'point of production', an important way in which those silences were filled.

Moreover, on container jobs, employers had less capacity to resist spelling because of the importance of achieving fast turnaround times, together with the increased likelihood of direct action bolstered by the strength of the port unions and the Federation. In this context, spelling became less informally 'bargained over', and more forced upon management. Thus this practice became increasingly a manifestation of the 'frontier of control' (Batstone 1988), which was pushed further back in favour of watersiders. This is indicated by the fact that the Port Employers Association attempted in earnest to stop spelling, but could not. This in itself was not unusual - the Association had attempted to do so in the break-bulk period - but the way it did so changed. Previously the Association had put pressure on its own members in an attempt to 'self-regulate' spelling, which was unsuccessful because spelling was condoned by individual employers as a crucial element in the wage-effort bargain.

In 1972 Chairman Blakeley stated at a meeting of the PEA Management Committee that:

> on a number of occasions, the Committee had decided to stamp out spelling and instructions had been issued to employers to take the appropriate action. Yet no lasting improvement has resulted. . . . The degree of spelling which is now taking place . . . seems to be accepted by local employers as inevitable. It did seem that the only way this abuse could be effectively controlled was for the Management Committee itself to take control of the situation through a national inspectorate.[11]

[11] Minutes of PEA Management Committee Meeting 539, 15/3/72. Port Employers Association Records, 89-395, Box 205 (Alexander Turnbull Library, NLNZ).

Although the PEA did appoint a travelling inspector of spelling in 1973, who travelled to a number of ports, he was confronted with much resistance by watersiders and also by the port unions. For instance, the Auckland and Wellington Unions would not allow the inspector to check the level of spelling. When he boarded a vessel the watersiders would stop work, leave the vessel and stand on the wharf where they could not be properly checked off against the labour list.[12] The fact that this system of inspection subsequently folded, in the face of vehement resistance at the workplace level, rather than as before because individual employers gave way on it, suggests that by this time spelling could be as much forced upon employers even if they did not implicitly condone it as part of the wage-effort bargain.

Furthermore, the Waterside Workers Federation and the local port unions successfully opposed the appointment of port inspectors (under the provisions of the Waterfront Industry Act 1976), undoubtedly because they would have uncovered (and disrupted) the extent of spelling (see Chapter 11). These represented failed attempts by the employers organization, one of which used the law, to eliminate practices which were condoned by individual employers as part of the indulgency pattern.

Although the Federation did not officially sanction spelling (because of its potential to undermine gang strengths), in the 1970s it is apparent that the port unions, at least, came to informally tolerate it (as the preceding examples of the Auckland and Wellington Unions demonstrate) as a way of utilizing 'excess' labour - which were a product of gang strengths that the Federation itself had negotiated. And when the Federation Executive proposed an alternate way of

[12] Minutes of PEA Management Committee Meeting 544, 12/7/72. Port Employers Association Records, 89-395, Box 205 (Alexander Turnbull Library, NLNZ).

utilizing excess labour, through a reduced working day and the introduction of a two shift system on the conventional waterfront, it was vehemently resisted by the rank and file. It will be recalled from the discussion in the last chapter that watersiders simply were not prepared to reduce spelling in order to achieve a decrease in the length of the working day (and a two-shift system) on the conventional waterfront. The rank and file refused to trade off job control against the prospect of greater long-term job security. Here it is worth repeating a statement by an Auckland Union representative at the WWF Conference in 1982: "The current situation is that there is spelling, and a shorter working day because of this. It is a luxury and the membership do not want to give it away."[13] At the same conference R. Powley of Bluff said that:

> members were fooling themselves if they thought they could stop spelling, as the reality of the situation is that spelling has become part of the everyday operation of each port.[14]

This comment is telling: it indicates that spelling was a common practice, both on break-bulk and on container jobs.

Rather than there being two distinct or discreet patterns of work relations, which equated with the two different types of work, the lines were blurred. The expectations and practices on break-bulk jobs substantially encroached upon container work, as indicated by the fact that spelling was pervasive on both types of work. That spelling was a reflection of the workplace power of watersiders, forged against the backdrop of their security of tenure within the labour market, is indicated by the fact that the Federation itself was unable to limit spelling - even against the prospect of greater long-term job security. As I demonstrated in the previous chapter, spelling was taken to the point where, at least according to the

[13] Minutes of Waterside Workers Federation Conference, 18/10/82. New Zealand Waterfront Workers Union Records, 92-305, Box 14/7 (Alexander Turnbull Library, NLNZ).
[14] Ibid.

Federation's officials, eventually it undermined the capacity of the Federation to protect gang strengths.

(8) Conclusion

In this chapter I have presented a picture not of a group of workers who were deskilled by containerization, whose work was degraded, and who were subjected to pervasive management control of work, but rather of a highly paid group of workers, many of whom acquired new sets of skills, who continued to exercise considerable control over how work was carried out. The degree of influence which the unions exerted within the labour market had its concomitant in watersiders' levels of control on the job. Although the potential for increased employer control of work inheres within container technology, rather than realizing this potential employers continued to exercise 'management through the wages system' in an attempt to 'purchase' productivity, and there were continuities in the indulgency pattern between break-bulk and container jobs.

This pattern, however, obtained only until the mid-1980s. Because a good deal of watersiders' workplace power was intertwined with the pattern of power relations within the labour market, it was critically affected by state-sponsored attempts to disrupt the institutional framework through which the labour market was organized. Significantly, the end of the waterfront's 'specialist framework' for industrial relations, effected through the Labour Relations Act 1987, particularly sapped watersiders strength on the job (in large part, by decreasing gang strengths). I will deal with this aspect of labour market deregulation, along with moves to deregulate the waterfront industry as a whole, in the next chapter. Then, in Chapter 14, *inter alia* I will tease out the effects of these moves to deregulate on the pattern of work relations.

SECTION FIVE

THE POST-REFORM PERIOD

CHAPTER 13 : THE LABOUR RELATIONS ACT 1987

We don't need the employers to do it to us any more; the Government does it for them through the Labour Relations Act.

Auckland Waterside Worker.[1]

The final demise of the Waterfront Commission witnessed . . . [a] once in a lifetime opportunity to restructure the waterfront industry.

Les Dickson (NZSEA Chairman).[2]

(1) Introduction

In this chapter I will examine the effects of the Labour Relations Act 1987 upon industrial relations in the waterfront industry. Most assessments of the Act's impact in the private sector deal primarily with groups which had previously been within the ambit of the conventional arbitration system (see Wood 1988; Harbridge and Walsh 1989; Harbridge and McCaw 1989; Harbridge and McCaw 1990). This chapter, however, provides the opportunity to examine in detail the effects of the Labour Relations Act upon one of the few occupational groups in the private sector which, historically, sat outside the mainstream of the Arbitration system.[3] Insofar as the effects of the Act upon watersiders and waterfront employers were intertwined with further moves by the Labour Government to deregulate the waterfront industry, I will also discuss the most important aspects of port reform.

In identifying elements of continuity and change in the shift from one institutional framework to another, I will (as before) deal with bargaining processes and

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[1] As quoted in *Management* magazine (November 1990:73).
[2] Comment in a speech to 'Shipping, Waterfront and Ports Conference', Auckland, 27/6/91.
[3] In view of this study's scope, I will limit this discussion solely to the Act's effects upon watersiders and waterfront employers, and their representative organizations. No attempt will be made to evaluate its impact on the other main occupational groups on the waterfront (harbour workers, foremen-stevedores and tally clerks).

outcomes, as well as shifting relationships between the key actors. I will focus upon the way in which the relationships between these actors, which involved tensions between the national and the local, between centralized and decentralized forms of organization, bargaining, and modes of action were reworked in response to this legislative intervention. In particular, I will identify shifts in the relative balance of the national and the local, of centralization and decentralization within these spheres. And I will stress that these changes were not preordained, that it is necessary to examine the *strategies* that the key actors employed within this new legal framework to industrial relations.

(2) The Labour Relations Act 1987

The Labour Relations Act 1987 registered the first major step in the process of deregulating the labour market. Although there is a difference of opinion between academic commentators as to whether the Act was the culmination of a process of evolutionary change in New Zealand's industrial relations system, which had been initiated by the Industrial Relations Act 1973 (Boxall 1990; Hince 1993), or whether it marked an abrupt break with earlier attempts to revamp this system (Geare 1989), there is no doubt that it did make substantial changes in the legal framework which hitherto had governed industrial relations. The background to this piece of legislation, which was introduced by the fourth Labour Government at the end of its first term in office, has been well documented (see Walsh 1989; Boxall 1990), and its provisions have been discussed in detail elsewhere (see Grills 1987; Geare 1989; Deeks and Boxall 1989). Consequently, I will provide only a brief summary of the features of the Act which substantially impacted on waterfront industrial relations.

First and foremost, the Act brought together all industries in the private sector under the same regulatory framework. Insofar as it abolished specialist

institutions such as the Waterfront Industry Tribunal, undoubtedly the Act was drafted with industries like the waterfront in mind. Indeed the Government's 1985 industrial relations 'Green Paper', which was the precursor to the Act, had questioned the necessity of bodies such as the Tribunal. In some quarters within the Labour Government there was a feeling that specialist tribunals allowed wages and conditions to get out of step with those in other industries.[4] In place of the Arbitration Court, and specialist institutions like the Waterfront Industry Tribunal, the Act established an Arbitration Commission and a Labour Court. The former dealt with disputes of interest voluntarily referred by the employer(s) and union(s) involved, whereas the latter dealt with disputes of rights, personal grievances, demarcation disputes and points of law (Geare 1989:216).

However, largely because of the contradictory pressures on the Labour Government at the time (see Walsh 1989), the Act did not completely reform the industrial relations system. Most significantly, it did not eliminate the legal supports of unions, which were based on union registration. Instead, as Boxall notes, the Act "tried to facilitate bargaining reform without fundamentally overturning the arbitral framework of union rights - exclusive jurisdiction (i.e. the sole right of a registered union to negotiate for the members covered by its rules), blanket coverage (i.e. the right to extend the net of an award to include 'subsequent parties') and compulsory membership" (1990:526). Although there were some modifications to this framework, the rights conferred upon registered trade unions remained fundamentally intact.[5]

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[4] This sentiment was expressed by the Richard Prebble (the Minister of Transport) in his speech to the WWF Conference in 1986. It will be recalled that the Government had previously attempted a policy of 'containment' with respect to preventing watersiders' wages and conditions from moving beyond the wharf gates.

[5] Although the Act did not make union membership compulsory, registered unions were able to "negotiate union preference provisions requiring all employees to join the union within 14 days of being requested to do so by the union. Failing agreement to negotiate a preference provision, the issue is . . . determined by a ballot of all employees in the industry carried out by the Registrar of Unions" (Grills 1987:32). Similarly, although provisions in the Act enabled a union to 'contest' the coverage another union had of its members (which in effect meant that unions could compete for members), there were clear limits imposed on this process. As Deeks and Boxall (1989:52-3)

The Act did, however, make substantial changes to both the bargaining options and procedures open to unions and to employers. Whereas the Industrial Relations Act (1973) allowed voluntary collective agreements to be registered, thereby giving second tier bargaining legal recognition, the Labour Relations Act 1987 stipulated that workers could only be covered by one document. The Act clearly distinguished between an 'award' (essentially a document settled through conciliation and arbitration which had blanket coverage of all employers within an industry) and an 'agreement' (a document negotiated directly between a union and a single employer which applied only to the signatories) (Geare 1989:218). And, as Deeks and Boxall state, the Act

> retains the system of registered trade unions with rights of access to conciliation and other disputes procedures but aims to encourage unions and employers to make wage deals that are more appropriate to industry and enterprise circumstances. It stipulates that workers can be covered by an award or an agreement but not by both, thus effectively eliminating the practice of 'second tier' bargaining (1989:42).

The Act sought to shift the level at which agreements were made, from the occupation to level of the industry and the enterprise (Boxall 1990:524).[6] Clearly it was intended to facilitate decentralized bargaining, but

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note, this type of competition for members between registered unions had to be done through a process which was both "rigorously democratic . . . and time consuming." Equally, there were limits imposed on the ability of groups of workers to register new unions (and hence the possibility of 'dual unionism'): "A group can apply for registration as a new and separate union even if some or all of the workers are already members of a registered union . . . [but] registration will only be granted if the workers are *not* bound by an award or agreement" (Geare 1989:224).

[6] In a sense, the amalgamation of unions which was expected to occur was intertwined with the projected effects of voluntary arbitration. Walsh writes "Labour expected that voluntary arbitration would be the spur to important efficiency gains. It would lead to the collapse of the large occupational awards and threaten the viability of the arbitrationist unions. They would be replaced by more appropriate bargaining structures - industry awards or, in larger companies, enterprise agreements - with conditions of employment tailored to the specific needs of the bargaining parties" (1993:185).

> it did not open the barn door to *uncontrolled* decentralization of bargaining. It granted unions the sole right to elect enterprise bargaining, but with a vital catch - they could not elect to have both an award and a registered enterprise agreement with respect to the same group of workers . . . . Where an award existed, the Act enabled employers to seek exemption from it if a second-tier bargain was negotiated . . . . If the Labour Court granted such an exemption, the union lost the unilateral right of return to the parent award (Boxall 1990:530-1).[7]

The moves towards decentralization were also counterbalanced by the stipulation that registered unions were required to have at least 1000 members. As Walsh notes, "This was designed to rationalize union structures and also to forestall the development of enterprise unionism" (1993:185-6).

The Act continued the provision of voluntary arbitration for disputes of interest, which had been introduced in 1984. Furthermore, it re-established the union right to strike (which historically had been traded off against compulsory arbitration) in the case of interest disputes.[8] This marked a shift from "a conciliation / arbitration system banning strikes to a system accommodating both voluntary and conciliated settlements tolerating the use of direct action as a bargaining ploy" (Deeks and Boxall 1989:42). I turn now to examine the effects of this new industrial relations framework upon the waterfront.

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[7] There was one exception to this rule: composite agreements. This was a particular type of enterprise agreement which was designed to incorporate a number of unions at a single site."These are defined as voluntary settlements 'between one or more employers in any undertaking or group of undertakings and two or more unions or associating representing workers within the undertaking or group of undertakings'. The workers in question could not also be covered by any other award or agreement. An important difference, however, between composite agreements and other types of agreement is that "parties can subsequently withdraw from a composite agreement and return to the award *without* employer agreement" (Deeks and Boxall 1989:93).

[8] As Boxall (1990:526) notes, the Act was informed by the view that "strikes in relation to the pursuit of new interests are quite appropriate but are a sign of poor industrial relations in relation to arguments concerning the interpretation or application of existing rights and individual grievances." Under its provisions, "Strikes and lockouts are legal in respect to interest disputes provided they are carried out during a period within 60 days of the expiry of the award, or during a period after the award has expired" (Grills 1987:30).

(3) Negotiations Within the New Legal Framework

The most immediate change on the waterfront which resulted from the Act was that the institutional framework was fundamentally altered. In order to bring the industry under the Act, the Waterfront Industry Commission Amendment Act 1987 was passed. This Act removed all references to the Waterfront Industry Tribunal, but retained the functions and powers of the Waterfront Industry Commission. The Act also transferred the setting of register strengths from the Commission back to the employers and unions at the port level. The Waterfront Industry Tribunal was then abolished in October 1987, and the industry became subject to the Labour Court and Arbitration Commission. Although they were not specifically legislated for, Port Conciliation Committees continued to exist by agreement between the employers and the Federation under GPO 539, and these functioned at most ports until September 1989.

From the point of view of the Federation, the first and most significant change which resulted was the need to form a national union. Although this was extensively discussed at the 1986 conference, and a ballot of members ordered, it did not occur until late in 1988. Indeed, in the interim period the Auckland Union investigated the possibility of forming a separate union under the Act (insofar as it had more than 1000 members). It is important to recall that just four years earlier (in 1984), a remit at the national conference to investigate forming a national union had failed. Furthermore, from 1984 until 1986, the Auckland Union had taken legal action against the Federation over the issue of how the superannuation fund was being managed. There is little doubt, given continuing splits within the Federation, that a national union would not have been formed if the Act had not required it.

Although the Labour Relations Act did not legally require such a drastic change in the structure of the employers' organization, the fact that in June 1987 the Harbour Boards Employers' Union left NZAWE provided the opportunity for the employers to restructure under the terms of the new Act. As I demonstrated in Chapter 9, since NZAWE was first formed its relationship with the harbour boards' employers' organization had been strained. Although the HBEU had 'liaised' with NZAWE, and had been represented at negotiations for General Principal Orders, it had retained control of its own industrial affairs. When the HBEU left, NZAWE reorganized around its four main 'interest groups': the WEU/PEA (which represented shipping companies and shipping agents), the New Zealand Stevedoring Employers' Association (which represented stevedoring companies), the Container Terminal Operators Association, and the Association of Bulk and Homogenous Shippers (which represented shippers).[9] NZAWE then was registered as an employers' organization under the Act. As a result of this reorganization, the HBEU was not involved in the first round of negotiations involving NZAWE and the WWU under the Act in 1988. It to these negotiations that I now turn.

Although the Act did not remove the unions' legal sources of strength (union registration and the benefits it conferred, that is), the way that it altered the bargaining options of unions hit the Federation particularly hard. At the Federation's 1988 Conference, General Secretary Jennings stated that:

> The Labour Relations Act . . . is basically an instrument that favours employers, especially as the economic climate is increasingly harsh. The bargaining positions that are available to us . . . are much constrained, they will encourage disunity amongst

[9] Formally, the reconstituted NZAWE Council comprised three representatives from the WEU/PEA, and two representatives from each of the other constituent organizations.

> workers and encourage port specific agreements that will be to the advantage of the employer.[10]

By preventing a union from being party to more than one document, it eliminated the way in which the port unions had effectively operated since the mid-1970s. The effect of removing second-tier bargaining was magnified on the waterfront as this had been central to union strategy and approach. As Harbridge and Walsh (1989:65-6) point out: "The effective outlawing of second tier bargaining had a major impact on those unions that had used it as a mechanism of negotiating a national blanket coverage, minimum rates award and supplementing those rates with increases negotiated on an employer by employer basis."

Rather than seeking to decentralize bargaining (which was difficult to achieve without the Union's consent), NZAWE initially sought to use the provisions of the Labour Relations Act to *centralize* bargaining (which was easily achievable). At a NZAWE council meeting late in 1987, it had been resolved that one of its medium term objectives was to use the Labour Relations Act to achieve "a single agreement covering the terms and conditions of employment of waterside workers."[11] Subsequently, in the 1988 round of negotiations, NZAWE sought to establish one 'general award' which incorporated all local and special agreements (with the exception of the Container Terminals agreement).[12] This award was to contain 'port schedules' (to take the place of Supplementary Principal Orders), and appended to it would be all existing special agreements which NZAWE sought to broadly standardize. In a sense, NZAWE was 'handed on a plate' what it had been

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[10] Minutes of Waterside Workers' Federation Conference, 17/10/88. New Zealand Waterfront Workers Union Records, 92-305, Box 14/10 (Alexander Turnbull Library, NLNZ).

[11] Minutes of NZAWE Council Meeting 53, 14/10/87. Port Employers Association Records, 90-220, Box 62 (Alexander Turnbull Library, NLNZ).

[12] NZAWE and the WWU agreed that the Container Terminals agreement should be negotiated separately. This posed a problem because, by definition, the same group of workers could not be covered by two agreements, but because of the rotation of watersiders through the terminal they effectively would be. However, the Arbitration Commission made a special provision for this agreement to stand alone from the 'general award' which was to be negotiated.

unable to achieve in the 1986-87 bargaining round (and several rounds prior to this) - the ready subsumption of all 'satellite' agreements into the national agreement. And it eliminated any further special agreements negotiated by individual employers, unless they could get the Union to consent to enterprise bargaining (which was highly unlikely).

With its bargaining options limited, the Waterfront Workers' Union agreed to negotiate a 'general' national award which would subsume all existing local agreements. The Union's defence of the national agreement, to the exclusion of enterprise agreements, accords with the approach of most other unions at the time (see Walsh 1993). But, as we will see, before the national award could be agreed to, the field of play altered substantially, which led to a change in strategy by the employers.

GPO 539 expired at the end of April 1988, and negotiations through the Conciliation Council began that month for a new national agreement. The main provisions NZAWE sought in negotiations over the 'General Award' were broadly similar to those sought in its previous attempts to 'restructure' the GPO: further manning reductions, a flat hourly rate bonus, standardized special cargo rates, revised skill rates, changes in the hours of work, and the introduction of seasonal (subsidiary) registers at three fruit-loading ports (Tauranga, Napier and Nelson).[13] Negotiations proceeded for two months, much as they had done in previous years under the previous industrial relations framework. As NZAWE reported, "Little progress was achieved with the WWU refusing to accede to the employers' claims for flexibility of integrated hours, a flat rate bonus and manning reductions despite the employers' offer of a 10 percent increase on wages and rates for an 18 month term."[14] (Claims for seasonal registers were held over until port schedules were

[13] NZAWE Newsletter 133, 8/4/88.
[14] NZAWE Newsletter 145, 1/7/88.

to be negotiated.) The employers then offered a further 'wage package' which was rejected by all ports. During these negotiations the WWU used the strike provisions in the Labour Relations Act extensively. When award talks broke down, in September 1988, a 24 hour strike occurred at the ports of Auckland, Tauranga and Wellington.[15]

At the same time as the negotiations for the General Award were proceeding in 1988, and industrial action was occurring, the WWU was fighting a pitched battle on another front. In the volatile climate created by port reform, where institutional fields were being reconstituted and boundaries renegotiated, paradoxically NZAWE became an ally in this dispute. The background to the dispute is as follows. The Port Companies Act, which was passed in April 1988, required harbour boards to establish 'port companies' and removed the boards' statutory monopoly on the provision of cargo-handling equipment on the wharf (which had been established under the Waterfront Industry Act 1976). This allowed registered stevedoring companies to supply their own cargo-handling equipment on the wharf. Whereas the 1976 Act granted harbour workers the right to drive equipment supplied by harbour boards (thereby forestalling demarcation disputes with waterside workers), the Port Companies Act 1988 deliberately left open the issue of which union's members had the right to operate this equipment. In the drafting of the legislation, the Minister of Transport Bill Jeffries had directed that the new Act, in his words, should "not perpetuate artificial demarcation of labour" on the waterfront (Jeffries 1992:162). The Waterfront Industry Act was also amended such that it did not specify which union should have coverage of this work. In effect, this signalled a 'hands off' approach by the Labour Government; the matter was left to be settled by the two unions and their employers.

[15] NZAWE Newsletter 153, 2/9/88.

It appears that there was some hope within the Government that this situation may have forced the two unions to amalgamate, thereby rationalizing waterfront unionism along the lines of the industry (rather than being split between two occupations), which was in keeping with the thrust of the Labour Relations Act.[16] But the historic tensions between the two unions (which had long prevented amalgamation), together with the fact there had always been disputes between them over securing the boundaries of work coverage (see Chapter 7), resulted in what perhaps was the most significant demarcation dispute since containerization. The WWU took the view that watersiders had the right to drive on the wharf mechanical equipment supplied by stevedoring companies (insofar as they had always performed the work of stevedoring companies on the waterfront). The Harbour Workers Union, however, maintained that its members should have work coverage and sought (unsuccessfully) an amendment to the legislation in order to regain it. This union did, however, gain an amendment to its membership rules which it attempted to use to the same effect. However, as a NZAWE representative noted, "Despite the Harbour Workers' Union amended membership rule, stevedoring employers are intending to make use of the new provision and have their employees, waterside workers, driving their own equipment."[17] Numerous disputes arose around the country in October 1988 as harbour workers picketed stevedoring companies that were seeking to take advantage of the new legislation.[18]

Despite the tensions which it was experiencing with the WWU in the industrial sphere, NZAWE supported the watersiders (largely because it had long wanted the

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[16] In a reply to an editorial in "The Dominion", Bill Jeffries stated at the time that: "The most obvious solution is for the Waterside Workers Union and the Harbour Workers Union to amalgamate. This was a major recommendation of a ports industry reform committee which I chaired." (*The Dominion*, 9/8/88.)

[17] NZAWE Newsletter 157, 30/9/88.

[18] The legislative provisions which allowed registered employers to provide their own cargo-handling equipment on the wharves came into effect on 1 October 1988. Disputes initiated by harbour workers subsequently occurred at Auckland, Onehunga, Napier, Wellington and Lyttelton.

harbour boards' monopoly on cargo-handling equipment ended). In response to an editorial which suggested that harbour workers should be given work coverage, NZAWE's Chief Executive (David Young) wrote: "It is outrageous to suggest that stevedores should not be able to use their own labour to drive their own plant."[19] And, significantly, despite industrial action by watersiders over award negotiations, NZAWE agreed that a clause which guaranteed watersiders national coverage of this work would be inserted into the General Award when it was finally settled. Furthermore, NZAWE supported the WWU's application to the Labour Court in October for a judicial review of the Harbour Workers Union's amended union rule.[20] The fact that this decision was subsequently lost was inconsequential. This is because the Labour Court heard the demarcation issue in November, and it issued a decision in December that waterside workers had primary coverage of cargo-handling equipment brought onto the wharves by private stevedores.[21]

Despite NZAWE and the WWU cooperating over securing work coverage for watersiders, negotiations for the General Award reached an impasse in November 1988. The Union's executive recommended direct action and a series of stoppages occurred at ports around the country, including 48 hours strike action at Wellington, Whangarei and Gisborne, Nelson, and a three day stoppage at New Plymouth in November.[22] NZAWE considered invoking the lockout provisions in the Labour Relations Act if further industrial action was to occur, but the Union

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[19] *The Dominion*, 9/8/88.
[20] NZAWE Newsletter 160, 21/10/88.
[21] This decision did not, however, finally settle the matter. Although it was very clear that watersiders had coverage of cargo-handling equipment supplied by stevedoring companies, it did was not so clear in relation to equipment hired from port companies by stevedoring companies. A demarcation dispute between watersiders and harbour workers subsequently arose on this issue in September 1989. In this case, however, the Minister of Transport did become involved and held talks between the unions and the employers in question. As a result of these discussions an agreement was reached that harbour workers had coverage of work involving port company equipment.
[22] NZAWE Newsletter 165, 25/11/88.

agreed to return to conciliation in late December.[23] While it appears that some progress was being made towards settling the General Award, these negotiations were overtaken by further moves by the Labour Government to 'reform' the ports.

The Government had announced in June 1988 that the role of the Waterfront Industry Commission was to be reviewed.[24] But, unlike the legislative changes that resulted in the formation of port companies, which involved a lengthy period of consultation over three years, the decision to abolish the Commission was made and implemented in a matter of months. Part of the reason for this haste was undoubtedly that the Government was being pressured to abolish the Commission by powerful business interest groups such as the New Zealand Business Roundtable and Federated Farmers.[25] After just four months, the Government signalled to the employers its intention to abolish the Waterfront Industry Act in October 1988.[26] NZAWE fully supported this move: it will be recalled that as far back as the Waterfront Conference in the late 1960s, the employers had been seeking the abolition of the Commission, a sentiment which was evident in the attitude of employers' representatives on the Ports Industry Review Committee in 1986. The Waterfront Industry Reform Bill which formally registered the Government's intention to abolish the Commission, on September 30 1989, was introduced into Parliament in December 1988.

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[23] NZAWE sent the following message to its members (on 6/12/88): "The Consultative Committee has recommended that strike action in any form, i.e. go-slows, complete stoppages etc., should be counter-acted by employers invoking the lock-out provisions of the Labour Relations Act 1987."

[24] It is unclear what form this review took, and exactly by whom it was undertaken. In an article on port reform, Bill Jeffries (the Minister of Transport at the time) merely remarked that: "This review involved officials from the Department of Labour and Ministry of Transport" (Jeffries 1992:162).

[25] The undue influence that these groups exerted upon the Fourth Labour Government has been well-documented (see Jesson 1989). They also produced a series of reports, for the purposes of pressure-group politics, which specifically addressed the waterfront and argued that the industry needed to be deregulated. The most important of these were as follows: *The New Zealand Ports Industry* (New Zealand Business Roundtable 1986), *Corporatisation of Harbour Boards* (New Zealand Business Roundtable 1987), and a publication jointly produced by the Business Roundtable and Federated Farmers in September 1989 entitled *Ports and Shipping Reform in New Zealand: Current Developments and Future Requirements.*

[26] Minutes of NZAWE Council Meeting 64, 14/10/88. Port Employers Association Records, 90-220, Box 62 (Alexander Turnbull Library, NLNZ).

Although the WWU was strongly opposed to abolishing the Commission, this move by the Government (at least initially) did not trigger widespread industrial action. Rather the Union's executive put considerable effort into attempting to shape the outcome of the likely reforms. In particular, the union officials sought to ensure that some type of pool labour system was retained. Along with the waterfront employers and other employers groups, the Union made submissions on the Bill to the Select Committee during February 1989. However the resulting Act, which was passed in March, did not specify what the employment arrangements were to be after the Commission was abolished. Instead, this was left to 'the group of registered employers' at each port. As we shall see, it was only when it became apparent that a collectivized system of labour administration was not going to be achieved, and that the employers were seeking to decentralize bargaining on their own terms, that large-scale industrial action occurred.

Following the introduction of the Waterfront Industry Reform Bill, award talks were adjourned. When they resumed in January 1989 the employers drastically altered their bargaining position. They took the attitude that, in view of the impending abolition of the Commission, their claims were no longer appropriate. In February NZAWE withdrew its claims and agreed to an interim wage increase of 6% on all except bonus rates.[27] But, in return, NZAWE secured the WWU's agreement that it would not seek from the Arbitration Commission an extension of GPO 539 and the Container Terminal agreement beyond September 30 1989 (the date when the Waterfront Industry Commission was to be disbanded).[28] Furthermore, it was agreed that negotiations were to occur in the intervening period over terms and conditions appropriate to the new system of employment.

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[27] NZAWE Newsletter 6/89, 24/2/89.

[28] The parties subsequently applied to the Arbitration Commission for, and were granted, an extension of the existing agreements until that date.

There was no clear indication as to what form employment would take after the Commission was abolished. During the first half of 1989 so-called 'Establishment Units' (comprising representatives of port companies and local stevedoring employers) were set up at each port to determine the employment structure best suited to the port. Broadly speaking, two types of arrangements were considered: either a pool of labour administered by the employers collectively through a jointly owned 'employment company' at each port, or direct employment by stevedoring companies and port companies themselves. At a meeting of stevedoring employers and Establishment Unit Chairmen in March 1989, indications were that a labour pool arrangement would be opted for by employers at most ports, apart from the container terminals and larger stevedoring companies at Auckland and Wellington.[29]

For the Union the possible shift to direct employment raised the issue of further redundancies, and the re-introduction of casual labour by employers in order to cope with fluctuations in the demand for labour. Consequently the Union sought to press the employers to retain some type of pooled labour administration system. It was even proposed at Auckland, where the Union branch had increased its shareholding in the Auckland Stevedoring Company to 50%, to set up a union-operated labour hiring company. As Branch President Jimmy Hewitt stated at the time: "If we have to form our own pool company to make awards with watersiders we will."[30] By the time negotiations began in June 1989, it was beginning to appear that direct employment by stevedoring and port companies would occur at most, if not all, ports. And, even at Auckland, the Union did not actually have the resources to establish its own labour hiring company. Thus the negotiations in question took place in a period of considerable uncertainty for the Union and its member at all ports.

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[29] NZAWE Newsletter 8/89, 10/3/89. This newsletter stated that: "For most ports, it is likely that labour would be employed through labour pools."
[30] As quoted in the *National Business Review*, 31/7/89.

As well as proposals for the new system of employment, during the first half of 1989 discussions took place within NZAWE on the level at which bargaining should proceed. NZAWE's position was that terms and conditions of employment should be negotiated solely on a port-by-port basis, that there should be port awards rather than a national award. At a NZAWE Council meeting in March 1989 it was resolved that local port awards were "the preferred option but should these be unobtainable with the Union then a national skeleton award with comprehensive port schedules should be considered."[31] A companies' publication succinctly summarized this approach:

> The employer viewpoint is to see each port as a separate entity, competing against others. Each should make its award arrangements based on its own efficiency and profitability, they argue. They also want to see the threat of national stoppages removed, and feel port-by-port awards are the way to go (N.Z. Shipping Directory 1991:5).

With the immediate prospect of the Waterfront Industry Commission being abolished, and with it a crucial source of union strength, the employers seized their opportunity to attack the watersiders' national organization (with a view to reducing the sources of its bargaining power, such as national strike threats) by attacking the national agreement. This represented a classic attempt, to use Katz's words, "to decentralize the structure of bargaining with the expectation that this change would produce bargaining outcomes more favourable to management" (1993:13). This attempt to change the level of bargaining both reflected a shift in the relative bargaining power of the key actors (as a result of port reform) in

[31] Minutes of NZAWE Council Meeting 68, 16/3/89. Port Employers Association Records, 90-220, Box 62 (Alexander Turnbull Library, NLNZ).

favour of the employers, and an attempt by employers to further increase that power by separating out each port thereby fragmenting the Union.[32]

External pressure was also placed on NZAWE to achieve port-level awards in this round of negotiations. As I noted above, the push for port reform (particularly the abolition of the Commission) had been sustained by large corporate interest groups. These groups exerted considerable pressure not only on the Labour Government, but also upon NZAWE directly. For instance, the Employers' Federation (to which NZAWE was affiliated) sought the right to make proposals for employment structures to replace the Commission. NZAWE opposed this attempted 'intervention'.[33] Nonetheless, in August 1989 a combination of business groups had placed large newspaper advertisements which proclaimed 'The New Zealand Business Community Says: The Time for Port Reform Is Now". The advertisements listed five aspects of reform: abolition of the Commission, use of casual labour, manning reductions, methods of work as the prerogative of employers, and most significantly for the discussion at hand, that "pay rates, hours of work, and all other terms and conditions of employment should be decided at port level."[34]

This pressure was also the result of an institutional 'realignment' of corporate actors, occasioned by the shift to direct employment, which repositioned port users. Although NZAWE was not replaced as the employers' organization until after this round of negotiations, there were shifts in approach which preceded this formal reorganization. In the New Zealand Stevedoring Employers' Association's

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[32] Katz (1993:13) writes that bargaining structure can be regarded "both as a reflection of the parties' relative power and a determinant of power."

[33] Minutes of NZAWE Council Meeting 61, 31/1/89. Port Employers Association Records, 90-220, Box 62 (Alexander Turnbull Library, NLNZ).

[34] *Christchurch Press*, 16/8/89. The following groups sponsored the advertisement: Federated Farmers, the Employers' Federation, the Manufacturers Federation, the Retail and Wholesale Merchants Association, and the Tourist Industry Federation.

1989 Annual Report, the President (Ian Farquhar) wrote of a significant development at a conference of waterfront employers held in April that year:

> For the first time ever, there was a clear indication that shippers and shipping companies were not seeking to be directly involved in Award negotiations or labour management and that this role should be handled by the direct employers of labour - stevedores, terminal operators, and to a lesser extent port companies.[35]

However shippers were *indirectly* involved in shaping negotiations. Trebeck and Barnard (1990:196) point out that the 1989 negotiations were characterized by a marked shift in the balance of forces:

> Those handling the negotiations with the unions were representatives of the future employers - stevedores, port companies and container terminal operators. However, in the lead-up to the negotiations there was a major shift in responsibility, away from the shipowners, who had traditionally called the shots, towards the shippers. The catalyst for this power shift came from shipper groups and reflected their realization that, while ship-owners may have paid the bills for stevedoring services, shippers ultimately bore the cost, via the freight rate. As a consequence, the employer negotiators reported regularly to shipper groups on the progress of the negotiations.

This is a somewhat simplistic account: it is not entirely correct to state that shipowners always led negotiations, because (as I have demonstrated) after containerization large stevedoring companies and container terminal operators also played a significant role. However the general thrust of their statement is correct. Previously, stevedoring companies, container terminal operators and shipping companies dominated NZAWE, which accommodated only minority representation by shippers. Rather than seeking direct involvement in negotiations after deregulation, the shippers exerted new found market power. They ceased to have any involvement in bargaining; but they exerted pressure upon stevedoring

[35] Port Employers Association Records, 90-220, Box 57 (Alexander Turnbull Library, NLNZ).

companies directly through the market (which forced employers to act in certain ways in bargaining). This was part of an institutional realignment whereby shippers, in an increasingly competitive market, ceased to be price takers.

The deregulation of the industry, in concert with the Labour Relations Act, provided shippers with more options in terms of influencing stevedoring companies. Previously, because the national agreement set minimum wages and conditions, wages could only be brought into competition upwards. It will be recalled that shippers, faced with these constraints, put pressure on stevedoring companies to make special agreements conceding better wages and conditions (which NZAWE regarded as undermining the employers' collective interests). In the new environment, however, shippers sought to bring pressure to bear on stevedoring companies to *reduce* labour costs (by reducing manning, for example), and to compete on labour rates, by attacking the national award.

However, the Waterfront Workers Union trenchantly attempted to defend the national award. This stance, in effect, resulted in an almost complete reversal of the positions adopted by the Union and NZAWE just two years before. Previously, the Union used local bargaining (albeit underpinned by a national agreement which established minimum wages and conditions) to fragment the employers, and NZAWE attempted to limit this type of bargaining by strengthening the national agreement. However the employers now sought to secure local bargaining by smashing the national agreement, which the Union attempted to defend.

There is no doubt that the WWU was well-placed to engage in local bargaining, because its branches were well-organized and, as I demonstrated previous chapters, always had negotiated agreements at the port level. Indeed there was a strong sense in which national bargaining had always been driven 'from below' by

the port unions. But it was precisely the local autonomy of the port unions which had rendered local bargaining a potential threat to the national organization. This threat had been amply demonstrated by the intercinine dispute over GPO 305 almost twenty years earlier, in 1970 (see Chapter 5).

The lengths that the Union went to in defending the national agreement indicate just how important it was to the organization. It served not only to underpin agreements negotiated at the port level, by establishing national minimum wages and conditions, but also served to ensure national unity. (Recall the comment by President Wasley during the disagreement within the Federation over GPO 305 in 1970: "The question of retaining national unity depends on observance of national agreements"). Although the hitherto loosely-knit national Federation had been transformed into a national union, and hence had greater control over its branches, this transformation would not have occurred if the Labour Relations Act had not required it. There were continuing divisions within the Union which exacerbated the danger of its local branches being split off from the national organization during the course of local negotiations.

The Union was confronted not only with the move to eliminate the national agreement and decentralize bargaining to the port level under the Labour Relations Act, but also with the impending abolition of the Commission and the occupational registration system. This latter development undermined one of the Union's crucial institutional supports - joint control of the labour supply. There was also considerable uncertainty over the form that the new system of employment would take, and over how many watersiders would be employed. There was the possibility of massive redundancies. It was in this climate of uncertainty that negotiations for the new award occurred.

When negotiations in the Conciliation Council began in June 1989 they broke down almost immediately over the basis on which an agreement was to be negotiated. Under the Labour Relations Act unions could specify the level at which negotiations took place, and the Waterfront Workers Union insisted upon national rather than local negotiations. However, this was met with considerable opposition from the employers, in that NZAWE negotiators flatly refused to negotiate a national award on the purported grounds that they had no mandate from their members to do so. As a NZAWE newsletter noted: "Employers are insisting that all terms and conditions be negotiated on a port by port basis whereas the Union are claiming the continuation of a national document system."[36] The matter was then referred to the Arbitration Commission, which met in July and referred the parties back to conciliation.

NZAWE's representatives then attempted to initiate negotiations at the port level. The Port of Tauranga, a major log-exporting port, was targeted to secure a port agreement. This move was a result both of a decision by NZAWE and the actions of the local employers and port users. Bob Seamer, the Chairman of the New Zealand Stevedoring Employer Association, explained that this occurred through the "formation of the Port Tauranga Industrial Council, who with the assistance of the major forestry companies filed for a port award."[37] Under the Labour Relations Act the Union had to meet with the employers through the Conciliation Council if only to refuse to negotiate at this level. At the negotiations, which occurred in July 1989, six union representatives were present and 34 employer representatives (the NZAWE negotiating team together with representatives of the stevedoring companies at Tauranga). One of the Branch Secretaries who had been a member of the Union's national negotiating team described these negotiations as "a joke". He continued: "Not that it was funny, we just didn't have anything to

[36] NZAWE Newsletter 23/89, 30/6/89.
[37] Speech to Shipping, Waterfront and Ports Conference, Auckland, 27/6/91.

talk about" (interview). The employers tabled a document which comprehensively set out terms and conditions proposed for the period after the shift to direct employment. The Union formally refused to negotiate a port award on the basis of their claims for a national award. However, shortly after, the employers also lodged claims for port awards at Auckland and Wellington.

The Union then engaged in a series of one day strikes at the ports of Auckland, Lyttelton, Tauranga, and Port Chalmers, together with a series of unauthorized stopwork meetings at several other ports, in response to these efforts by the employers to secure port awards.[38] Further strike action occurred in August 1989 at eight ports as a protest against the lack of progress in the award negotiations.[39] Generally, this took the form of unauthorized stopwork meetings and one-day stoppages intended to put pressure on employers.

The Container Terminal Operators, through NZAWE, had already agreed to a national 'skeletal' document with comprehensive port schedules at the Container Terminal Award negotiations which had begun in July 1989.[40] For the conventional wharves, however, NZAWE continued to push for port awards. Early in September it sought to negotiate port awards at Tauranga and Wellington. Although the Union's national negotiating team attended these negotiations, they refused to enter into discussions. NZAWE's research officer noted that: "The Union negotiating party on both occasions was the National Executive of the NZWWU which in both instances refused to negotiate the port documents."[41] In response to the employers' continued claims for port awards, the Union then initiated a 48 hour national strike which occurred in the middle of August.[42]

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[38] NZAWE Newsletter 27/89, 28/7/89.
[39] NZAWE Newsletter 28/29, 4/8/89.
[40] NZAWE Newsletter, 26/89, 21/7/89.
[41] NZAWE Newsletter 33/89, 8/9/89.
[42] NZAWE Newsletter 30/89, 18/8/89.

Further strike action occurred at several ports, and then the Union initiated another national stoppage, this time for four days, in the first week of September.[43]

Largely as a result of this concerted industrial action (under provisions of the Labour Relations Act), and the steadfast refusal of the Union to negotiate port awards, the employers conceded that a 'skeletal' national award could be negotiated together with 'port codes of employment'. In securing this agreement, however, a series of trade-offs were made on each side. The Union agreed to accept 'eight points of principle' put forward by the employers before any negotiations could begin. These included acceptance of direct employment, the re-introduction of casual labour, flexibility in hours of work, reductions in manning, compulsory transfer of watersiders between employers and ports, flexibility in the use of the workforce, and no restrictions on the introduction of new technology. Although these points were agreed to in principle, how they were to be implemented in practice at each port (the actual proportion of casuals at each port, for instance) was subject to further negotiation.

The Union's acceptance of these points was premised upon the employers accepting that fifteen conditions were to be negotiated *nationally*. These conditions included a national work coverage clause, compulsory union membership, annual holiday and leave provisions, redundancy payments, training and safety provisions, and the term of the agreement. Although a 'skeletal' national award was eventually settled, what then happened was that the bulk of negotiations occurred at the port level and the national clauses were simply inserted into each of the port codes that were subsequently agreed to.

[43] NZAWE Newsletter 32/89, 1/9/89.

By mid-September 1989 (just prior to the abolition of the Waterfront Industry Commission) tentative agreement was reached between the Union and NZAWE regarding the details of most of the fifteen national conditions. However negotiations stalled on the issue of redundancy. The prospect of large-scale redundancies at each port had resulted in the Government introducing the Waterfront Industry Restructuring Bill in July 1989. This Act established a Waterfront Industry Restructuring Authority to which employers could apply for funding to defray the cost of redundancies. Trebeck and Barnard write:

> The government facilitated the restructuring process by arranging funds amounting to $NZ30 million (from a levy on the income of former harbour board land and a levy on port company shares) to help meet redundancy provisions. In the absence of these funds, the industrial award negotiations would have been severely constrained (1990:196-7).

However agreement could not be reached before the Commission was abolished on the actual terms and conditions for redundancies. Thus, prior to the Commission being abolished, agreement had not been reached on all of the national provisions in the award, let alone on port codes.

When the Commission was abolished on September 30 1989, an unusual situation developed in that the majority of watersiders had no employer. There was a 'window period' of nine days when work stopped at every port because hiring arrangements had not been finalized with the employers. The South Island union officials who I interviewed went to great lengths to explain that this was, in their words, "not a strike"; rather, the watersiders simply did not have an employer. Furthermore, there was no award or agreement for them to work under because GPO 539 had expired consequent upon the abolition of the Commission.

As a stop-gap measure, an 'interim agreement' was reached on October 9 that allowed all except the four container terminal ports (which were subject to a demarcation dispute) to operate until port codes were settled. The agreement established an arrangement whereby watersiders would work for 8 hours a day, Monday-to-Friday, for a standard wage of $110 per man for each work period. Although the agreement facilitated the introduction of the cross-hiring of watersiders between employers, and the introduction of flexible manning scales, it did not allow for the use of interport transfers and casual labour (which were to be negotiated over at the port level).[44] The agreement also provided for a redundancy agreement broadly similar to the one in GPO 539 for watersiders who were not required by stevedoring companies. Under the terms of this agreement 1380 watersiders, who comprised approximately 40% of the total workforce, were made redundant almost immediately.

The interim agreement did not, however, apply to the four container terminal ports which, owing to a dispute, were closed for the first three weeks in October. Negotiations for the container terminals composite agreement had been occurring parallel to the general award negotiations, and the dispute related to the terms on which the container terminal composite workforce would work. It was essentially a demarcation dispute concerning work coverage of ro / ro vessels worked in the container terminals. The employers sought to have these previously excluded vessels (un)loaded within the terminals. Although both unions agreed to allow such vessels into the terminals, the Waterfront Workers Union argued that the ship's hold had to be worked by watersiders alone, whereas the Harbour Workers Union maintained that it should be worked by the composite workforce.[45]

[44] NZAWE Newsletter 37/89, 13/10/89.
[45] NZAWE Newsletter 38/89, 20/10/89.

Like the dispute in 1988, over work coverage with respect to operating mechanical equipment on the wharf, this dispute was characterized by the two unions trenchantly attempting to defend their respective job territories. At one point, the Waterfront Workers Union even sought to register a dispute of interest with the Arbitration Commission in order to cancel the provision for composite gangs from the container terminal agreement.[46] This seemingly intractable demarcation dispute, which closed the four main ports for a full three weeks, was only resolved when the container terminal operators agreed to these vessels being given limited access to the terminals. Under an interim agreement between each union and the container terminal operators, composite gangs of waterside workers and harbour workers unloaded the top deck of ro / ro vessels within container terminals, but the vessels were then moved to conventional wharves where gangs of watersiders alone carried out the hold work (Roth 1993:197). The matter was referred to a working party for six months in order to arrive at a final solution, with the option of employers seeking a legal remedy if agreement could not be reached. The conventional wharves at these ports were then signed up under the same interim agreement as the rest of the ports, in order to allow port codes to be negotiated.[47]

At the time of the port level negotiations, the Union faced not only massive redundancies but also the workforce being divided between different employers within each port. The Union and each of its branches were trying to keep together a membership which was in effect being collectively made redundant, and then rehired subject to the whims of individual companies. Companies at some ports engaged in discriminatory preferential hiring. For example, union officials at Lyttelton informed me that two of the port's three companies (New Zealand Stevedoring and the Lyttelton Port Company) did not hire any watersiders who had been active in the union as job delegates or members of the executive. The

[46] *National Business Review*, 17/10/89.
[47] NZAWE Newsletter 38/89, 20/10/89.

only company that did hire these watersiders was Pacifica Shipping, and this was largely a result of the longstanding association between this company and the union as joint partners in the Lyttelton Stevedoring Company (see Chapter 8).

With the shift to direct employment many companies also attempted, often through not so subtle tactics, to drive a wedge between the Union and its members. The following comments by Bob Seamer (the General Manager of New Zealand Stevedoring) indicate the approach adopted by the largest stevedoring company, which employed approximately 40% of all watersiders:

> Just prior to October 1989 we realized we needed to recruit watersiders of the highest calibre so we put a communications package together and mailed this to all 3600 men on the WIC Register. . . . That package included a corporate profile, a copy of Wharftalk and individual profiles of each of our port operations. . . . We felt it to be important for our new stevedore employees to very quickly relate to our company as their employer rather than have their only allegiance to the union.[48]
>
> We had to win over the men that we were reasonable people to work for and that they didn't have to rely on the union. That was the hardest thing to overcome.[49]
>
> N.Z. Stevedoring believed we had to very quickly gain worker identification and accountability. Thus having employed 600 waterfront workers, many of whom were highly 'Union' orientated and totally unfamiliar to a direct employer-employee relationship, we had to set about 'managing' them - instilling a company identity or 'corporate culture'. Most importantly we had to change their attitude to work and show them the accountability that came with working for a commercial company in a new, highly competitive environment as opposed to a pool labour system which had been in force for over 40 years.[50]

Attempts to foster this 'change in attitude' to work, borne of increased competition, did lead to divisions within the workforce at some ports. For

[48] Speech to Shipping, Waterfront and Ports Conference, Auckland, 27/6/91.
[49] As quoted in *New Zealand International Business Magazine*, (February/March, 1992:45).
[50] Speech to Institute for International Research Conference, Auckland, 23/2/92.

example, watersiders at Timaru were split between two companies: Turnbull Stevedoring and Timaru Stevedoring. A national executive member of the Union (who originally was from Timaru) remarked that: "Within 14 days you'd go into the smoko room and they were sitting at either end. . . . And that's competition. And the employers were saying, if you don't fucking do this the other company will get your job" (interview).

It was in this unsettled context, associated with the shift to direct employment, that port codes were finally settled. Once again, the NZAWE negotiators and the local employers targeted the Port of Tauranga, and negotiations for a 'port code' began there in the second week of October. These negotiations, as in other ports, occurred through a locally convened Conciliation Council where the Waterfront Workers Union's national negotiating committee was present. Conciliation Councils were then convened at all other ports (except the four container terminal ports), and negotiations began for port codes during October. Following the settlement of the demarcation dispute at the container terminal ports in mid-October, via an interim agreement, negotiations also began in early November at these for port codes.

Prior to these negotiations, it will be recalled that the employers' 'eight points of principle' had already been accepted by the Union (although these were subject to some local variation and interpretation), and the majority of the Union's 15 conditions had been settled. Indeed, NZAWE's research officer wrote at the time: "It is encouraging to note that the main issues of contention relate to money matters only whereas the eight points of principle have been fully accepted by the Union and in many cases already established."[51] The Port of Tauranga, however, was the exception insofar as the employers trenchantly held out for a five day

[51] NZAWE Newsletter 40/89, 10/11/89.

working week spread over any seven days (colloquially know as '5 over 7') in order to facilitate 24 hour operation, seven days a week.

The Lyttelton port award was the only agreement which was formally settled through the first round of formal discussions in Conciliation Councils. However a series of 'informal discussions' then took place at a number of ports between the local employers and the local branch of the Union. As a result of these discussions, port codes for Auckland and New Plymouth, Wellington, Napier, and Timaru were settled in late November. It appears that these ports had the full involvement of the Union's national officers in settling the port codes. However at some other ports tensions developed between the local branches and the national executive in settling local port codes. Despite the unity that was manifested in the effective use of national strike action during this round of negotiations, in the context of decentralized bargaining and the shift to direct employment the local autonomy of the Union's branches reasserted itself in some cases.

Although members of the Union's national executive were fully involved in formal negotiations at the port level, they were not always present at the 'informal' negotiations conducted between the local employers and the local branches of the Union. Negotiations of this type occurred between local employers and the Union branch at the ports where agreements were outstanding (Whangarei, Tauranga, Gisborne, Nelson, Otago, Bluff and Picton), three of which (Tauranga, Gisborne and Picton) had been closed because of strike action. NZAWE actively attempted to resolve the outstanding matters at the port level without the involvement of the Union's national officers, but this was met with resistance by these officers. This was to the chagrin of the employers who wanted to settle matters locally, as a comment in the *National Business Review* makes clear: "Employers' advocate John Button claims there would have been agreements reached in several other

ports by now without national union 'meddling'".[52] Similarly a NZAWE newsletter stated: "In the case of Tauranga, Gisborne and Picton no final settlement has been reached at local level but there is no doubt that such failure to settle is at least in part due to national union involvement."[53]

Because the watersiders' national organization had been transformed into a national union, the national executive could refuse to ratify the local port codes. Indeed, the Union's national officers did just that, at a handful of ports where they sought to 'shore up' the wages rates that had been agreed to by the local branch. As a NZAWE newsletter reported:

> In respect to Whangarei, Nelson and Bluff . . . local negotiations have resulted in agreement being reached on most issues, including wages. The national office of the union has subsequently rejected some aspects of these locally negotiated settlements.[54]

This was particularly the case at Bluff where a port code had been settled between the local employers and the local branch of the Union. This agreement was actually brought into effect, but was subsequently rejected by the national Union on the basis that shift payments were too low: "While Bluff had been working under new conditions the National Union has refused to sign the port code on the basis of the remuneration levels that have been negotiated."[55] The local employers responded with a 24 hour lock-out stating that they would "not tolerate interference in the local settlement".[56] Watersiders at Bluff then went on strike. Moreover, the Union's General Secretary, Sam Jennings, threatened to call a national stoppage.[57] As a result, negotiations were re-opened with the national Union at Bluff (where the local employers conceded increased shift rates), as well

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[52] *National Business Review*, 4/12/89.
[53] NZAWE Newsletter 42/89, 1/12/89.
[54] NZAWE Newsletter 42/89, 1/12/89.
[55] NZAWE Newsletter 43/89, 8/12/89.
[56] NZAWE Newsletter 42/89, 1/12/89.
[57] *National Business Review*, 4/12/89.

as Nelson and Whangarei. Port codes were settled at these and the other remaining ports during December.

The last port to settle an agreement was Tauranga. Although the issue in dispute at most ports was pay rates, Tauranga was the exception. As I noted above, there the employers held out for what they termed 'flexible' hours of work (the introduction of '5 over 7'). Members of the Union's national negotiating team were fully involved in negotiations at Tauranga, and both they and the local branch sought to maintain a Monday to Friday working week, with optional overtime at the weekends. In the view of the President of the Union's Tauranga branch (Steve Penn), what was at stake was "the right and the freedom of choice to either work or not during the weekend."[58] A standoff resulted, and a four week strike occurred. During this strike the national union officers threatened to put a black ban on cargo that was being diverted from Tauranga to other ports.[59] The employers responded by placing advertisements in newspapers which decried the Union's resistance to introducing flexible working hours. Also, timber workers from the neighbouring mills and logging contractors held a rally at the port to protest at the actions of the striking watersiders.[60]

After three weeks, the Union suggested, as an interim solution, that watersiders work under the agreement settled at Auckland. Steve Penn explained at the time that: "Our suggestion was to get the port back to work, get her operational - then form a subcommittee to thrash out a formula acceptable for both parties for hours of work."[61] However the employers turned this offer down and trenchantly held out for the acceptance of 5 over 7. Ultimately what happened was that, after a

[58] Quoted in *Christchurch Press*, 8/12/89.
[59] *Christchurch Press*, 8/12/89.
[60] NZAWE Newsletter 43/89, 8/12/89.
[61] *Christchurch Press*, 8/12/89.

prolonged dispute, the Union accepted a wage offer by the employers in return for agreeing to the hours of work which they were seeking.

At the time, Les Dickson flaunted the Tauranga port code as having broken away from the national award. Such comments belie what actually occurred. It was not a 'breakaway' agreement in that the Union's Tauranga branch had not opted out of the national award. Furthermore, the national negotiating team had been party to all negotiations and had ratified the port code. A member of this team, who I interviewed, described the introduction of 5 over 7 as a concession that was made, in the face of concerted employer action, in return for increased rates of pay. Indeed, a close examination of the Tauranga port code demonstrates that some of the rates it contained were even higher than those settled at Auckland.[62] The Tauranga agreement also contained a clause which mitigated the extent to which workers were 'on call': of the eight days off each month that watersiders were entitled to (as a substitute for weekends), the watersiders themselves could designate four days and their employers could designate four days as 'guaranteed days off'. However the Union representative who I interviewed did say that, in hindsight, conceding '5 over 7' at Tauranga made it harder to refuse at other ports in subsequent rounds of negotiations.

After a full three months, when the country's ports had been closed for much of the time, all of the port codes were finally settled. The outcome of these negotiations is best ascertained by examining the resulting documents (which applied to all except the container terminals). The documents in question were 13 port codes of employment with national clauses inserted into them. Together

[62] The hourly rate and the 'industry allowance' at Tauranga were the same as the rates that applied at all other ports. Auckland had the highest 'availability allowance' of all the ports, at $150 per week. This same allowance at Tauranga was slightly less at $145 per week, but the skill rates at Tauranga were higher than at Auckland. A 'class one' watersider at Tauranga received $4.00 per hour, a 'class two' watersider received $3.50 and a 'class three' watersider $3.00. The comparable rates at Auckland were respectively $3.75 (class one), $2.00 (class two) and $1.00 (class three). These two ports had the highest skill rates of all the ports.

these constituted 'the award'. The national provisions in the agreements were based on the Union's 'fifteen points of principle'. With the exception of the 'subsequent parties' clause (which extended the agreement to all employers and watersiders at each port), the award stated that the fifteen provisions were 'subject to local variation'. But in practice they were reproduced in standardized form in each of the individual port codes and formed the national 'core' of the award.

Although some of these clauses were rather weak in requiring, for instance, only a general commitment of employers to training and to safety, others were significant. For example, the work coverage clause secured union coverage at all ports of the types of work which watersiders had performed prior to the abolition of the Commission (along with the right to operate on the wharf equipment supplied by stevedoring companies). Compulsory union membership was also provided for, and although the employers had the right to effect compulsory redundancies, the redundancy agreement was basically the same as in GPO 539. Other significant clauses included standardized annual holidays and other leave provisions, and disputes procedures. Also, the award was set to expire at all ports on September 30 1990 (in order to keep the next round of negotiations synchronized).

However, it will be recalled that these points were only accepted by the employers in return for the Union agreeing to accept the employers' 'eight points of principle'. Thus each port code contained provision for casual labour to be re-introduced onto the waterfront, for compulsory cross-hiring of labour between employers as well as interport transfers, and also for greater 'flexibility' in the hours of work. Furthermore, methods of work became the prerogative of employers and gang manning levels were reduced (both of which signalled an end to the practice of spelling), and employers' were granted the unmitigated right to

introduce new technology. At some ports, in practice, gang strengths fell by as much as 50 percent.[63]

Overall, in comparison to GPO 539 and the other special agreements which it replaced, the new agreement was greatly simplified. The number of job classifications which attracted special duties rates were significantly reduced, and replaced with a two or three tier employee classification system and standard 'skill rates'.[64] The vast array of rates for special cargoes were eliminated, along with other rates (such as dirt rates and freezer rates) and travelling allowances. Incentive contract schemes were eliminated, and the numerous and detailed provisions relating to the operation of the bureau system (such as allocation and release of labour) were deleted.

Although the Union had made a number of significant concessions, it did have reasonable success both in ameliorating some of the employers' claims, and in keeping provisions standardized between ports. For instance, in all but the fruit-loading ports of Tauranga, Napier and Nelson (which were subject to considerable seasonal fluctuations in labour requirements), the use of casual labour was restricted to 25% of the permanent workforce.[65] And although all ports had the facility for 24 hour operation, Monday to Friday, only Tauranga had achieved this over a full 7 day week. Furthermore, despite wage rates being negotiated locally, the union succeeded in keeping the hourly rate out of competition (an increased basic rate of $10 per hour was obtained at all ports). However there were local

[63] Gang strengths on some operations at Auckland and Napier decreased from 12 to 7, at Tauranga from 12 to 6, and at Timaru from 14 to 7 (NZBRT 1990:5).

[64] Under GPO 539 there were numerous job classifications which attracted special duties rates, including the following: forklift drivers, hatchmen, winchmen, ropemen, deck crane drivers. The new port codes of employment, however, distinguished between only two or three 'classes' of watersider (depending on the port), each of which attracted standard skill allowances.

[65] At Tauranga the proportion of casuals that could be used was 50% of the permanent workforce, with provision that this restriction could be waived in exceptional circumstances. The Napier and Nelson port codes allowed for casuals not exceeding 25% of the permanent workforce to be employed, save for four months during the fruit-loading season when an unlimited number of casuals could be used.

Table 13.1 : Pre-Reform and Post-Reform Hourly Rates

Port	Average Hourly Rate 1988			Hourly Rate 1989
	Wages	Bonus	Total	
Auckland	14.17	4.42	18.59	21.50
Tauranga	12.22	6.35	18.57	21.63
Wellington	12.95	3.56	16.51	17.75
Lyttelton	12.82	3.37	16.19	16.50
Nelson	11.39	5.49	16.88	17.00
Timaru	11.61	2.69	14.30	17.50
Bluff	12.79	4.21	17.00	17.00
Gisborne	10.90	5.36	16.26	17.00

differences in the amounts of some special rates and allowances, notably overtime rates, skill allowances and the availability allowance (for being 'on-call'). In some cases these differences were substantial.[66]

While differences in pay rates resulted in wage differences between ports (particularly between the larger and smaller ports), some differences in average wages between ports had always existed even under the bureau system.[67] The more fundamental issue is the extent to which an increase in the average wage had been secured at each port, relative to what was previously being earned under the bureau system. While this is difficult to precisely ascertain, Table 13.1 provides a rough indication of differences in the hourly rates between GPO 539 and the new award at a mix of large and small ports. Even these (very conservative) estimates reveal that at most ports the hourly rate increased - in some cases markedly.[68] Although these data must be treated with a modicum of caution, it appears that average wage levels increased, at minimum, by between 5% and 10% across the board.[69] This increase was higher than the average in the 1989-90 wage round

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[66] For example, the availability allowance at Auckland was a flat rate of $150 per week, but at Wellington it was paid on an hourly rate to a maximum of $80 per week, and at Lyttelton the maximum was $60 per week. Similarly, the overtime rate for Sunday work was $7 greater at Wellington than at Taranaki.

[67] The differences in the weekly wage between ports can be gauged by comparing Auckland (which had one of the highest set of rates) and Bluff (which was amongst the ports with lower rates). The following figures are for the rates which obtained in normal hours Monday to Friday, and include the ordinary time rate, the industry allowance rate, availability payments and the top skill rate at each port. In the first work period the daily wage at Auckland was $172 compared to $136 at Bluff. At Auckland in the second work period daily wage was $184 and at Bluff it was $156, and in the third work period it was $244 and $192 respectively.

[68] In compiling Table 13.1, I compared the average hourly rate at each port in 1988 (which was published by the Waterfront Industry Commission in its final annual report) to figures I derived from the new award. In arriving at the figures for 1989, I used extremely conservative estimates of the hourly rate. I used pay rates solely for the first work period (which were comprised of the ordinary time pay rate, the industry allowance, availability payments and skill rates). In the case of skill rates, I used the top rate at each port. But I did so in order to counterbalance the fact that I have excluded from the calculation overtime rates, premium payments for weekend work, meal rates and so forth. These figures are, however, included in the figures for 1988. Undoubtedly these data underestimate the magnitude of the average hourly rate earned by watersiders at each port after the Commission was abolished.

[69] In arriving at this figure, as well as using the data contained in Table 13.1, I also got a general sense of wage levels after the Commission was abolished from interviews which I conducted with union officials and watersiders. In general, all agreed that watersiders were earning more than

(see Harbridge and McCaw 1990) and, overall, wage levels on the waterfront were still considerably higher than in many other blue-collar industries. Indeed the managing director of the Port of Napier Ltd, K. Gilligan, commented that:

> Our waterfront is still highly paid relative to business outside the port gates and it will take some considerable time to bring port remuneration rates to a closer relationship with those outside rates.[70]

However what had been at stake in this round of negotiations, as much as wages and conditions, was the national document and indeed national unity within the Union. Commentators sympathetic to the employers noted with considerable satisfaction that the majority of negotiations took place at the port level. Trebeck and Barnard (1990:196), who present an employer perspective, write:

> The negotiations were successfully concluded, albeit at the cost of a three week national waterfront dispute (longer in one or two ports) which brought shipping to a standstill. . . . A key principle was that the main elements of the industrial award were settled at the individual port level, rather than at the national level. This provides greater flexibility in individual port circumstances to be reflected in award conditions. It also encourages employees to associate more closely with the interests of their port or employer vis-a-vis their national union and its office-bearers. Similarly it encourages inter-port competition rather than having competitive pressures muted by blanket national award conditions.

But despite these claims, the Union (largely through judicious use of direct action) managed to retain some semblance of a national document, and thus resisted moves to completely decentralize bargaining to the port level. Indeed, despite NZAWE's success in having negotiations take place at the port level, the Union actually managed to keep some aspects of wages and conditions reasonably standardized across the ports.

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before (although, as we will see in the next chapter, this went hand-in-hand with an intensification of work).

[70] As quoted in *Port Development International* (September 1991:50).

(4) Summary and Conclusion

This chapter has examined the effects of the Labour Relations Act 1987 upon bargaining processes and outcomes on the waterfront. Most evaluations of the Act (in the private sector, that is) deal in an aggregate fashion with groups which had formerly been under the jurisdiction of the Arbitration Court. This chapter provided the opportunity to examine in detail the Act's effects an occupational grouping in the private sector which had long been outside of the conventional arbitration system.

In certain key respects, particularly with respect to bargaining outcomes, developments on the waterfront were consistent with those in other industries. The points of similarity include changes to the hours of work, and pay rate increases. With respect to the bargaining options taken under the Act, however, the effects on the waterfront were more dramatic than in most other industries. Commentators have noted that, in general, a decentralization of bargaining did not occur under the Act. Instead a re-centralization of bargaining around occupational awards occurred, largely as a result of the elimination of second-tier bargaining, and overall the level of enterprise bargaining did not increase (Harbridge and Walsh 1989; Harbridge and McCaw 1989; Boxall 1990; Walsh 1993).

However, the effects of the Act on the waterfront were more pronounced. Although enterprise bargaining did not develop, the period from 1987 to 1990 witnessed a dramatic transformation in approaches to bargaining, with a shift in the balance of centralized and decentralized negotiations relative to that which previously existed. This was initiated by the employers under the provisions of the Act, and it resulted in a shift to a different combination of national bargaining and local bargaining than before, through port codes of employment with a

'skeletal' national award appended to them. Despite the formal elimination of 'second tier' bargaining by the Act, local agreements on the waterfront persisted, and simply were institutionalized in a different way.

To be sure, it was not the Labour Relations Act alone that resulted in this shift (which was stridently opposed by the Union). Rather it was the Act in combination with further port reform. Indeed, ultimately what turned the tide in favour of the waterfront employers was the Labour Government's decision to deregulate the industry. The Union was faced not only with the elimination of the specialized industrial relations framework, which resulted in attempts by employers to decentralize bargaining to the port level, but also with the elimination of the occupational registration system, which (as I demonstrated in previous chapters) had been a crucial part of the institutional power base of the Union, insofar as it had yielded joint control over the various facets of the labour supply. Massive redundancies occurred as the number of watersiders declined by over 50% (from 3156 on the bureau register in September 1989, to approximately 1773 watersiders directly employed by stevedoring companies in March 1990).[71] The Union was faced not only with a sharp drop in its membership at the branch level, but also with its members being divided between different employers within each port. Further, a number of employers attempted to drive a wedge between the Union and its members.

It was in this context that the local autonomy of the (former) port unions began to reassert itself. Under the Labour Relations Act the port unions were required to form a national union, which was unlikely to have occurred without this legislative intervention. The greater degree of formal control exerted by the national organization over the local branches that this organizational transformation

[71] Figures from the Waterfront Industry Restructuring Authority, cited in New Zealand Business Roundtable's report entitled *Port Reform in New Zealand* (1990:4).

yielded was counterbalanced by the shift to direct employment. As Gavin McNaught, the Union's industrial manager, observed:

> The ports have had, and by and large still have, a fierce independent nature that at times only just tolerates the national nature of the union. The move from the pool of labour under the Waterfront Industry Commission to company employment has perpetuated and in some instances accentuated this mood.[72]

In the 1989 round of negotiations, the Union's national officers closely monitored local negotiations and, in some cases, refused to ratify port codes which had been agreed to by the local branches of the Union.

As I noted in previous chapters, decentralized bargaining at the port level had always co-existed alongside centralized bargaining. However, as well as being a source of opportunity in securing concessions from employers, decentralized bargaining did on occasion pose a potential threat to unity within the watersiders' national organization (as the dispute over GPO 305 in 1970 demonstrated). Previously, agreeing to a national document which underpinned all other agreements was a crucial key to national unity within the Waterside Workers Federation. Although this had been severely challenged in 1970, these problems had been overcome such that they did not manifest themselves in bargaining, as the Federation's 'external strength' (Fox and Flanders 1969:155) increased. These internal divisions did not reassert themselves in bargaining until 15 years later, in the face of employer attacks and deregulation.

In this case, however, the situation was reversed: in 1970 the Auckland Union felt the Federation had made too many concessions, whereas in 1989 it was the national body which felt some port unions were giving things away. Similarly, the bargaining positions of watersiders' national and local bodies were altered:

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[72] As quoted in *Port Development International* (September 1991:50).

previously the Federation's national negotiators would negotiate a document that would then have to be 'sold' to the local unions and ratified by them (which was where the process broke down in 1970). But in 1989, as a national union, the local branches negotiated a document which the national executive had the power to veto. Thus, within the Union, the national and local were held in tension (and resolved) in a different way.

Despite these tensions, and the degree to which the award was 'restructured', the fact that the Union had retained at least some semblance of a *national* award, in the face of concerted efforts by employers to undermine it through negotiations at the port level, was significant. This is indicated in the comments by employers to the effect that the national award had to be abolished. The following comments in publications sympathetic to the employers' position make this clear:

> Not all New Zealand's waterfront industrial hurdles were cleared with the advent of direct employment . . . . There remains the vexed question of the national award structure. Both the Watersiders' and Harbour Workers' Unions have stoutly rejected moves to put their awards totally on a port-by-port basis (N.Z. Shipping Directory 1991:5).

> At future award negotiations it is vital that further progress be made in the direction of port by port agreements. Any reversion to national negotiation would jeopardize the benefits already achieved for shippers and waterfront employees. This process will be facilitated to the extent that cargo interests maintain a close and strong involvement in the negotiations, as they did in 1989 (Trebeck and Barnard 1990:197).

> The renegotiation of award conditions later this year is obviously crucial to the long-term success of port reform. The objective must be to consolidate and extend the achievements already made - principally by strengthening the local orientation, rather than the national orientation, of the awards. . . . [An] important ingredient to the success of the negotiations will be regular interaction between management and employees at an individual stevedoring or port company level. Given the success which this consultation

> has evidently had over the past twelve months, it should be extended to the award negotiations context (NZBRT 1990:18).

The employers were to get their wish regarding decentralized bargaining. Ultimately what facilitated this process was not divisions within the Union as such, but rather another round of legislative change. The first was an amendment made to the Labour Relations Act in 1990, which allowed employers to opt for enterprise bargaining (albeit offset by the introduction of 'final offer arbitration'). The second (more significant) change was the introduction of the Employment Contracts Act 1991. While the Labour Relations Act 1987 registered a first major step in transforming bargaining procedures, it left union rights intact. The Employment Contracts Act, however, facilitated a shift to enterprise bargaining within a framework of individual and collective employment contracts in which unions need not of right be involved. The effects of this Act, along with the further effects of port reform, will be addressed in the next chapter.

CHAPTER 14 : THE WATERFRONT AFTER DEREGULATION : CONTINUITIES AND DISCONTINUITIES

> *In retrospect, I think I have to say that we would have done better to adopt what you might call 'The Pol Pot Solution' - declare a 'year zero', wipe out everything previous to it and start again with a clean slate. We should have made absolutely everyone redundant, then hired back those we wanted. The people who left were paid a very handsome sum to depart. Those who stayed now work 50 per cent harder for 10 per cent more money.*
>
> Richard Prebble MP

> *The waterfront has changed with this Contract . . . Act. I mean the shipping companies are making more money now than they've ever made in their bloody life, and the worker is still getting cut off. . . . He's getting hammered by this bloody Contract Bill. It only favours one person and that's the bloody boss.*
>
> Lyttelton Waterside Worker

(1) Introduction

In this chapter I will examine the patterns of industrial relations and work relations which developed in the post-reform period. In short, the chapter deals with what happened after interests ceased to be 'registered' through the law. It is not simply a chronicle of the unmitigated reassertion of managerial prerogative and the waning of union influence. Rather I will highlight the capacity of the Waterfront Workers Union to resist changes initiated by employers under the new legal framework. The misgivings which are apparent in the comment by Prebble above hint at continuities in this area.

I will examine the effects of abolishing the legal and institutional framework which had been central to the Union's degree of control over the labour market, its success in bargaining, and its members' control of work practices, that had gradually developed since the 1950s. The success of this regulatory framework,

from the Union's point of view, by no means 'prefigured' the outcomes in the post-reform period, but it did significantly influence them. In the outcomes which resulted there are both continuities and discontinuities with the pre-reform period. Overall, the significance of the reforms has been the uncoupling of the link between union control over the labour supply and control of work practices.

(2) Bringing the Firms Back In[1]

> *Occupations continue to be a prominent feature of how work is organized, even though managerial hierarchies have come to be the dominant force.*
>
> Harrison Trice (1993:19)

Contra Trice, prior to 1989 managerial hierarchies were not the *dominant* force on the waterfront in relation to the waterside workers' occupation. Management, in the sense of 'man-management', did not exist because of the system of labour administration which meant that companies did not directly employ watersiders. Instead the 'occupation', legally defined, was central and the labour market took an 'occupational form' which was organized around exclusive registers at the port level. With respect to watersiders and their occupation, managerial hierarchies only became important following the abolition of the Waterfront Industry Commission and the attendant shift to direct employment.

As a result of this change the port unions lost formal 'joint control' of the size and composition of the labour supply. In effect, this shift meant there was no longer a separate sphere of 'employment relations'. In place of the institutions which gave the union joint control, were substituted the decisions of a managerial hierarchy internal to firms. This marked a shift from a labour market that was organized around a legally constituted 'occupation', in which individual firms were excluded from key aspects of decision making regarding the labour supply, and which since

[1] The title of this section is drawn from Baron and Bielby (1980).

the 1970s increasingly had became a national labour market (rather than a series of local labour markets), to one that was based around direct employment by individual companies at specific sites. This was extended by legal changes promoting a shift to enterprise bargaining.

Insofar as, on the employers' side, firms became the key actors in the labour market, it is important to detail changes in types of companies on the waterfront, and the competitive environment in which these companies operated. This is important insofar as it crucially affected the position that they adopted in enterprise bargaining under the Employment Contracts Act 1991.

In the post-reform period the industry was fundamentally divided between port companies and stevedoring companies. To recap, port companies had been formed under the Port Companies Act 1988 by 'corporatizing' the harbour boards (see Ward 1990). Amongst the stevedoring companies, the "industry is split between the dominant player - New Zealand Stevedoring - and individual companies who are strong in their own ports" (N.Z. Shipping Directory 1992:5). Appendix 1 demonstrates that the number of companies that were involved in stevedoring declined dramatically after the Waterfront Industry Commission was abolished. Significantly, the independent companies declined in number (with well-established companies such as Puflett and Smith folding) and the small 'hybrid' companies (which the unions were involved in) all but disappeared.

This process of rationalization was accompanied by intense competition between the remaining companies both within and between ports. The Port Companies Act 1988 specifies that "the principal objective of every port company shall be to operate as a successful business." In line with this objective a number of the port companies engaged in a great deal of investment, particularly in container equipment. For example, Ports of Auckland Ltd bought a fourth container crane,

and Port Otago built a new berth at its Port Chalmers wharf facility which was completed in May 1991. Similarly the Lyttelton Port Company invested in a second container crane. However, this investment in container facilities was not restricted to the established container ports. The N.Z. Shipping Directory (1992:5) refers to "the aggression and new-found commercialism of the regional port companies" which manifested itself in investment in container cranes. For example, "Napier, Timaru and Tauranga have been at the forefront of purchasing container cranes" (N.Z. Shipping Directory 1991:4). Indeed, at the Sulphur Point development at the Port of Tauranga two new post-panamax cranes were established in 1991, which effectively gave the port a 'container terminal'.

This investment had its concomitant in fierce interport competition, particularly in the container trade. Geoff Mowday, the public relations manager for Ports of Auckland, commented that:

> Ports are leaner, and hungrier than ever before. With 14 ports on the New Zealand coast, the competition is 'white hot' for the 500,000 TEUs (20ft equivalent units) or so that make up New Zealand's total trade. About 250,000 of those containers are handled in Auckland and Onehunga, so 12 ports compete for the balance and, in some cases, it is becoming a 'do or die' effort.[2]

This interport competition has resulted, in some cases, in ports previously without container terminals becoming competitors with the established terminal ports. Thus, "Napier and Timaru now compete respectively with the established terminals at Wellington and Lyttelton" (N.Z. Shipping Directory 1992:4).

Of course, the port companies differed in their involvement in stevedoring. At the ports where the harbour boards had traditionally operated container terminals (Auckland, Lyttelton and Otago), the port companies automatically were involved

[2] As quoted in *National Business Review*, 1/11/91.

in stevedoring as the new operators of these facilities. While some port companies took the opportunity to become fully-fledged 'service ports' (to provide port facilities as well as stevedoring services, that is), others were content to operate as 'tool ports' by merely providing port facilities (see Turnbull and Wass 1994). The port company at Tauranga (Port of Tauranga Ltd) is a good example of a 'tool port'. As the company secretary commented in a speech: "We are . . . not involved in stevedoring operations. We believe that this is best carried out by stevedoring companies operating in competition."[3] The port company at Wellington adopted a similar approach.

Other port companies became involved in stevedoring either directly or by establishing partly or wholly owned stevedoring subsidiaries (Port Nelson's 50% share in Tasman Bay Stevedoring is a good example). Similarly the Northland Port Corporation (the port company at the Port of Whangarei) formed a joint venture stevedoring company with New Zealand Stevedoring. The CEO of Port of Otago Ltd, Klaus Plate, gave the rationale for this type of move: "It is . . . only natural that port companies would look at . . . expansion into cargo handling operations if stevedoring costs at the port are considered a disincentive for trade through the port."[4]

A number of port companies also became involved in conventional stevedoring with the intention of increasing competition within their port. The Lyttelton Port Company's decision in 1990 to take a group of watersiders out of its container terminal to work on the conventional wharves is a good example. The Company's cargo services manager justified the decision in the following manner: "This is purely a business decision on our part. . . . We like competition [within the port] in as much as it makes the port more attractive, in cargo-handling, to come. If

[3] Speech to Shipping, Waterfront and Ports Conference, Auckland, 27/6/91.
[4] Ibid.

you've got cheap cargo-handling, more ships are going to want to use that port" (interview). The net effect of such moves was an increase in the level of competition on the conventional wharves. Indeed, as Bob Seamer (the General Manager of NZS) noted:

> Conventional stevedoring has become intensely competitive as new players have entered the industry and some port companies have set up stevedoring operations and some container terminals have moved into conventional stevedoring.[5]

Thus the port companies were not only in competition with each other, but also with stevedoring companies which operated within their ports. Although, ostensibly, the move of port companies into stevedoring was to increase competition, in some ports the net result was for the port companies to attempt to 'squeeze out' stevedoring companies. Indeed, in some ports, there has been a battle over which of the two types of companies will be the dominant player on the waterfront in stevedoring. At the Port of Lyttelton, for instance, the port company denied New Zealand Stevedoring access to the port's container cranes.

There is also a high degree of competition between stevedoring companies, particularly between New Zealand Stevedoring (the country's only national stevedoring company) and the few remaining stevedoring companies that operate at one port only, such as Leonard and Dingley (at Auckland) and Turnbull's Stevedoring (at Timaru). The Managing Director of the Port of Napier, Ken Gilligan, commented that: "The competition stevedoring companies face is unbelievable. We have seen fierce competition at Napier and, sadly, there has been a major casualty in a stevedoring company going under [Puflett and Smith]. More casualties might follow, because the pressure of business will lead to even . . . lower prices."[6] Indeed even Bob Seamer, the General Manager of New

[5] Ibid.
[6] Speech to Shipping, Waterfront and Ports Conference, Auckland, 27/6/91.

Zealand Stevedoring (the largest stevedoring company in the country), sounded a warning on the effects of this competition:

> Our wharves have gone from a pathetically unreliable industry to one of the most reliable, all in a period of only three years. The progress has been substantial, however it could, to a great extent, be undone by a threat to the viability of many stevedoring companies. Stevedoring rates have dropped too far and many are unsustainable at the current levels.[7]

Thus the market was extremely competitive - both in the container and conventional spheres - between port companies, between stevedoring companies, and between port companies and stevedoring companies. In a highly competitive (service) product market of this type, it is commonplace for firms to seek a competitive edge by engaging in decentralized bargaining at the company level (see Capelli 1985). Indeed, the Employment Contracts Act 1991 facilitated just such a move to enterprise bargaining by companies that operated on the waterfront. In the next section of this chapter I will briefly outline the main features of the Act, and in the remaining sections I will identify its impact on the waterfront.

(3) Decentralising and Decollectivising Industrial Relations : The Employment Contracts Act 1991[8]

The Employment Contracts Act 1991, which was introduced by the National Government elected in late 1990, came into force in May 1991. It was forged against a backdrop of extensive criticism by well-organized business interest groups (primarily the New Zealand Business Roundtable, but also the New Zealand Employers Federation) of its predecessor, the Labour Relations Act, and through the influence these groups exerted on policy-making by the National Party (see Walsh and Ryan 1993). The intention of the Act was to further deregulate the

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[7] As quoted in *The Transportant*, volume 23, number 3, 1993.
[8] The title of this section is drawn from Hince (1993:10).

labour market, as a counterpart to the reforms which had 'liberalized' other facets of the New Zealand economy (see Bollard and Buckle 1987). Far from merely altering the existing state-regulated system, it removed entirely the regulatory framework which governed the practice of industrial relations, and established in its place a new 'minimalist' framework based on the law of contract.

In the preceding chapter I demonstrated that the Labour Relations Act 1987 altered the framework that bargaining took place within, but it left the rights which were granted to registered unions largely intact. The Employment Contracts Act 1991, however, facilitated a shift to bargaining within a framework of employment contracts in which unions need not of right be involved. The Act did not merely modify, but rather completely abolished what Boxall referred to as the "central triumvirate of historical union rights - compulsory membership, exclusive jurisdiction and blanket coverage" (1990:536). In effect, the Act separated trade unions from the state, which had previously always guaranteed union rights through the union registration system. In turn this system had, until 1984, traded off union registration and compulsory arbitration against the right to strike. As Anderson has noted:

> The Employment Contracts Act shifts the focus of labour law away from a system based on the collective representation of the interests of workers and the recognition of the inherent inequality of bargaining power in the employment relationship, to one that stresses the primacy of the freedom of choice of individual workers in their relationships with their own employers (1991:127).

How did the Act accomplish this dramatic shift?

First and foremost, the Act formally enshrines the notion of 'employee choice' with respect to bargaining representation. Part One of the Act confers 'freedom of association' upon all employees. Hince and Vranken point out that this

provision's "significance . . . lies in the fact that it stresses both positive and negative freedom of association" (1991:480). In effect, it confirms the freedom to 'not associate', thereby rendering union membership voluntary. As Boxall (1991:291) notes, under this provision it is "illegal to negotiate pre- or post-entry closed shops" and "[a]ny form of union preference is also made illegal".

Furthermore, the Act makes no mention of trade unions, substituting instead the vague term 'employee organization'.[9] As Hince remarks, the Act

> does not include a single reference to the notion of trade unions or trade unionism. . . . All exclusive rights previously accorded to unions have been explicitly withdrawn. Whilst unions are free to play a role in industrial relations, they no longer have automatic and exclusive rights in the workplace. Exclusive rights to represent workers in collective negotiations and in processing grievances are two of the key rights abolished. . . . The statute uses the term 'employee organization', but such organizations are accorded neither registered status, nor any of the historic rights that pertained to trade unions (1993:11).

The exclusive right of unions to represent workers in bargaining is replaced in the Act by the employees' right to choose a bargaining representative which, significantly, does not have to be a union. This shift in emphasis is dramatic. Anderson writes that "Prior to the Employment Contracts Act, a trade union enjoyed statutory monopoly bargaining rights in respect of all workers within its membership rule" (1991:129). The loss of this right of exclusive jurisdiction means that unions have been transformed into merely "one agent of choice of individual workers rather than . . . the centre piece of the industrial relations system" (ibid:130).

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[9] The rubric in the Act states that "'Employees organisation' means any group, society, association, or other collection of employees, however described and whether incorporated or not, which exists in whole or in part to further the employment interests of the employees belonging to it".

Boxall (1991:292) notes that the Act "conceptualise[s] the employment relationship as the product of the interaction between the (individual) employer and the (individual) employee." Unions are thus relegated to the status of a 'third party' to this relationship. Furthermore, although the Act requires an employer to recognize an employee's delegated representative, there is no legal obligation for employers to bargain with that agent (Hince and Vranken 1991:481). As Walsh notes, "It remains a curious anomaly in the Act that, although it goes to remarkable lengths to ensure that bargaining agents are properly authorized and accountable to their constituents, there is no guarantee that the other party will in fact bargain with the duly authorized agent" (1992:65).

As well as dramatically changing the basis of worker representation, the framework of bargaining options is also fundamentally altered. Anderson writes that: "the Act removes state support for collective bargaining and considerably increases the power of employers to either refuse to bargain or to control the course of bargaining that they agree to" (1991:131). The emphasis is upon 'employment contracts', from whence the Act takes its name. Two options are presented: bargaining for either an individual employment contract (between one employee and one employer) or a collective employment contract (between two or more employees and one or more employers).[10] As Harbridge (1993:42) notes, "The type of contract and its contents are matters for negotiation." However the Act contains a "presumption in favour of employment contracts being individual ones in the first instance" (Hince and Vranken 1991:481). The fact that expired awards or collective employment contracts, until they are renegotiated and agreed to, are rendered down to series of individual employment contracts (albeit

[10] As Hince and Vranken (1991:481) point out, "the notion of an individual employment contract appears to have become the generic term as an employment contract is statutorily defined to mean a contract of service . . . . Employment contracts that bind two or more employees, on the other hand, receive the additional qualification of being 'collective'".

incorporating the same terms and conditions as the expired agreement) is consonant with this presumption.

Similarly, the number of employers subject to the contract is a matter of choice by the employers themselves (which opens the gate to employer-initiated enterprise bargaining).[11] Harbridge writes that the Act (1993:31): "remove[d] award blanket coverage provisions which enabled multi-employer bargaining to dominate the collective bargaining scene." As Hince and Vranken (1991:484) point out, "the legislative emphasis as regards collective bargaining is towards decentralized, disaggregated bargaining."

The institutions which regulate the process of negotiating and enforcing employment contracts are the Employment Tribunal and the Employment Court, which were established in place of the Arbitration Commission and the Labour Court. The Tribunal "has both mediation and adjudication powers" in resolving disputes over employment contracts (Hince and Vranken 1991:486). As Boxall (1991:292) notes, it is "designed to provide 'low level', 'informal', 'speedy' and 'fair' services. Much of the routine work of the old Labour Court (for example, in respect of the primary hearings of personal grievances and disputes of rights) is placed in its hands." The Employment Court, on the other hand, takes the place of the Labour Court as a "specialist labour court" with a widened ambit which extends to "all (judiciable) labour disputes" (Hince and Vranken 1991: 487). An important part of the broader role of this institution is that the Act "extends access to personal grievance provisions . . . to *all* employment contracts. This is a major extension of individual rights because formerly such rights extended only to union members" (Boxall 1991:292).

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[11] Section 18(2) of the Act states that: "Nothing in this Act requires any employer to become involved in any negotiations for a collective employment contract to which it is proposed that any other employer be a party."

However, the increased access of workers to the legal machinery for dispute resolution is counterbalanced by the fact that the right of a union to strike is restricted by the Act. The Labour Relations Act had afforded strikes a role in bargaining, and allowed a union to strike not only after an award had expired, but also within 60 days prior to it expiring. Under the Employment Contracts Act, however, "a strike is only lawful when it concerns the renegotiation of a collective contract, but only after the contract has expired. . . . The Act also prohibits strikes designed to compel firms into joining a multi-employer contract" (Walsh 1992:68). Furthermore, the Act prohibits strike action by employees in support of other employees who are party to a different collective contract, thereby effectively "preventing sympathy or secondary action" (Anderson 1991:134).

As Hince notes, "Two key thrusts of this statute were the facilitation and encouragement of, first decollectivisation and, second, decentralisation of industrial regulation in New Zealand" (1993:10). From a system in which union rights were guaranteed by law, the Employment Contracts Act 1991 facilitated a shift to bargaining within a framework of employment contracts in which unions need not of right be involved. Within what are generally referred to as advanced capitalist societies this Act, like the state-regulated system that it replaced, is unique. It has both the potential to facilitate what Hyman, writing in another context, refers to as the "erosion of industrial relations as a process of collective regulation of work and labour markets" (1995:13), but also, it should be noted, a reworking of collective regulation by unions. In the next section I will show that, while on the waterfront the Act's effects were (as Hyman's remarks indicate) dramatic, this potential was in fact not fully realized. What has happened has involved a form of reworking.

(4) Employment Contracts on the Waterfront

(4.1) Initial Developments

In the lead-up to the Employment Contracts Act (ECA) being passed, there was a clearly discernible shift in the attitude of the employers away from agreements at the port level to enterprise bargaining. Les Dickson, the Chairman of the Stevedoring Employers Association, commented to a conference in June 1991 that: "With the impending legislation . . . the stevedoring companies were able to review the pace of change, up until this time most saw merit in port awards. The industry is now reconciled to enterprise bargaining and considers this the only realistic option within the new framework."[12] The Waterfront Workers Union (WWU), on the other hand, after (briefly) seeking agreement from the employers to negotiate at the port level became resigned to enterprise bargaining. As Roth (1993:198) notes, the Union "executive was forced to recommend that branches pursue separate company agreements as required by the employers. It had been 'a dramatic change for us', admitted the national secretary; the union had been between 'a rock and a hard place'".

As I stressed in the preceding chapter, the local branches of the WWU were better placed than many other unions to deal with the shift to decentralized bargaining. This is because the Union's branches were already very well-organized at the local level and, as I have stressed in previous chapters, always had had a considerable degree of local autonomy (until 1988 having been organized as separate unions within a Federation). Furthermore, bargaining had always occurred at the local level (albeit under the umbrella of a national agreement). One of the points that I emphasized in the preceding chapters is that, in many respects, industrial relations had always been driven 'from below' by actors at the port level. The national

[12] Speech to Shipping, Waterfront and Ports Conference, Auckland, 27/6/91.

organizations, both of employers and of the unions, had continually attempted to get leverage over the local, as this was the 'key' to strength within industrial relations.

However the threat the Employment Contracts Act posed was not just because it provided for decentralized bargaining, but also because it abolished the whole framework of union rights. Ross Wilson, the National Secretary of the Harbour Workers Union, was very clear about this:

> We would be deluding ourselves seriously if we thought for a minute that the process we have called ports reform is in any sense over. The Employment Contracts Bill has the potential to devastate existing wages and conditions on the waterfront . . . . There is no doubt that this Bill has been prepared with the waterfront as one of its primary targets. . . . [It] challenges all of the assumptions that we have about bargaining and the role of unions, and their place in New Zealand society.[13]

Employers now, in negotiating enterprise agreements, did not automatically have to bargain with unions. Equally watersiders did not, as a matter of course, have to be represented by the Waterfront Workers Union (or indeed any union). And all claims to work coverage were contestable. The possibility of employers attempting to break union coverage at the local level was thereby raised.

Indeed there were several notable instances in 1991, during the first round of negotiations under the Act, of individual companies seeking to circumvent the coverage of a local branch of the WWU by attempting to replace its members *qua* employees with other workers. However, as I will demonstrate below, these were the exception rather than the rule. First I will discuss the two main cases of circumvention, and then I will explain why the majority of employers recognized and bargained with the WWU, and did not attempt to displace its members.

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[13] Report of New Zealand Harbour Workers Union Triennial Conference, March 1991.

The port company at Auckland (Ports of Auckland Ltd), which a national union official described as "particularly anti-union", attempted just such a circumvention. Negotiations for a collective employment contract covering the container terminal at this port, after taking place sporadically for a number of months, finally broke down in October 1991. The port company then announced its intention to contract out part of its operation at two sites (the 'movements office' and part of the container base), with the result that 27 workers (some watersiders and some harbour workers) were to be made redundant. As a subsequent Employment Court decision noted: "The workers themselves were invited . . . to negotiate new terms and conditions of employment" (ERNZ 1991:499). However they did not do so, and each of the two unions sought an injunction in the Employment Court to prevent the redundancies from occurring.

The WWU claimed that the redundancies "amounted to no more than dismissal of the 27 workers who had not agreed to the employer's proposed new terms of employment and appointment of a new workforce under the employer's new terms and conditions" (ERNZ 1991:499). In short, "the alleged redundancies were no more than a device to secure dismissal of the 27 workers and their replacement with a cheaper workforce" (ERNZ 1991:499). However the injunctions were declined by the Employment Court. The company's threat to replace union members was undoubtedly a bargaining tactic, but one which had substance insofar as it had arranged to replace these workers with an outside contractor and notices of redundancy had been served.[14]

More of its employees in the container terminal were then threatened with redundancy.[15] As Roth (1993:198) notes, "After intervention by the Auckland

[14] Waterfront Workers Union Executive Officer, personal communication, 14/7/94.
[15] This threat was effective because as the National Secretary of the Harbour Workers Union, Ross Wilson, (himself a specialist in labour law) noted: "the courts have ruled that it is legitimate for

Council of Trade Unions . . . the Ports Company agreed to postpone the threatened dismissals . . . and the union was able to save all members' jobs." However the price was the Union's acceptance of a collective contract with a flat rate of pay of $20 per hour. Thereafter the company insisted on new employees being party to *individual* employment contracts only.[16]

The other notable case in 1991 occurred at the Port of Lyttelton. Watersiders at this port, as at a number of other ports, had traditionally carried out the work of discharging fish from foreign fishing vessels. Although no watersiders were permanently employed by firms to do this work following the shift to direct employment in 1989, it was still claimed by the local branch of the WWU as watersiders' work, and the Union acted as a labour broker in order to protect coverage of this type of work. A former President of the Lyttelton branch, Arthur Beckett, explained:

> They used to go to the Union and get men from the Union to do it, and if we could find the labour we used to supply it. . . . The Union never got any money out of doing them, well they got handling fees but that was only very little because it was only for doing the wages and paying the men, and the men used to collect their wages from them. (Interview)

Typically the Union arranged to employ watersiders on their days off who wanted to earn some extra money. However Independent Fisheries, a fish processing company, disrupted this arrangement. It built a new coolstore on the waterfront, staffed exclusively with casual (non-union) workers, which began operation in November 1991. A dispute erupted when Independent Fisheries hired 35 unemployed workers from the New Zealand Employment Service to unload a

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employers to replace workers who do not accept a new contract with others who will, or with contractors, if the enterprise will benefit. A company does not need to be in financial difficulties for workers to be made redundant" (Harbour Workers Union, *The Backgrounder*, 6/4/92).

[16] Waterfront Workers Union Executive Officer, personal communication, 14/7/94.

fishing vessel in November 1991. Undoubtedly this was done to cut labour costs, as the rate for watersiders was $17 per hour whereas for the unemployed it was only $8 per hour.[17] The Lyttelton branch of the WWU vehemently opposed this move, and with support of the local branches of the Harbour Workers Union and Seamen's Union, erected a picket to prevent the vessel from being unloaded. This picket prevented two forklift drivers employed by the company from approaching the wharf, upon which the company ceased its attempt to unload the vessel and applied to the Employment Court for an injunction to prevent further picketing of the job. This application was successful, and it resulted in injunctions being granted against the Lyttelton branch of the WWU and the branch Secretary to prevent further picketing, which was deemed by the Court to be unlawful.[18]

Within union circles Independent Fisheries, as an employer, had a bad reputation. I was conducting fieldwork at Lyttelton at this time and later attended a protest directed at this company. The protest was organized by the maritime unions (of watersiders, harbour workers and seamen) and the Council of Trade Unions to mark the official opening of the company's new plant in July 1992. Prime Minister Jim Bolger, who was flown by helicopter over the protest to the plant, commented in his address that:

> There have been those old vested interests who have used the Employment Contracts Act as a wailing wall to lament the demise of compulsory unionism. But that old, deeply unsuccessful model of labour relations never delivered sustainable wage increases and never achieved the terms and conditions that, for instance, we see here today.[19]

Mr Bolger's comment on terms and conditions is somewhat ironical. I was told by several members of the local branch of the WWU that members of criminal gangs

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[17] *Christchurch Press*, 23/11/91.
[18] *Independent Fisheries v New Zealand Waterfront Workers' Union* [1991] 3 ERNZ.
[19] *Christchurch Press*, 16/7/92.

had been involved in recruiting the company's employees. These workers were all casuals employed job-to-job, and none of them were union members. Their pay was low and they experienced poor conditions of work.

Indeed a group of 12 casual workers walked off the job in August 1992 seeking improved wages and conditions. One worker commented that: "They want us to work our guts out loading and unloading; we are sweating in a freezer."[20] However, while they were off the job, the company simply hired other casuals to do their work. Some of the workers who were involved in the stoppage approached the Lyttelton branch of the WWU in an attempt to get union coverage. The branch considered allowing Independent Fisheries workers to join as "associate members", which would have meant that the Union would act as their bargaining agent. However there was a disincentive for most workers to join the Union because Independent Fisheries was unlikely to hire casuals who were union members, and it continually threatened to 'roster off' men who raised issues of wages and conditions. Although a Lyttelton union official described the plant to me as "the scab factory", later they did have success in unionizing some of the workers, albeit through a different union.

The two preceding cases were significant insofar as they either threatened, or resulted, in the loss of union coverage and work coverage. Nonetheless it was only eroded 'at the margins'. The case at Lyttelton was that of a fishing company (rather than a stevedoring company) challenging the local union in a somewhat 'marginal' area of work. Although the case at Auckland did involve a major stevedoring company, which operated the container terminal, the challenge was again at the edges (involving just a small part of the operation) as a bargaining ploy. Significantly, no stevedoring company attempted to completely circumvent

[20] *Christchurch Press*, 14/8/92.

the WWU in bargaining or to displace the whole of the workforce. As I will demonstrate below, in the main, the majority of employers recognized and bargained with the Union, and did not attempt to displace or dislodge its members. A good example is New Zealand Stevedoring, which was one of the first companies to settle enterprise agreements (in the form of collective contracts) at each of the 11 ports where it had branches (see below).

I am not suggesting that the potential threat to the Union posed by the Employment Contracts Act, as indicated by the preceding cases, should be ignored or downplayed, but that these cases need to be put in perspective. The question that needs to be answered is not so much why the Auckland Port Company and Independent Fisheries acted in the way they did (which undoubtedly centered on the cost benefits of circumventing the Union), but rather why more companies did *not* act in this manner. Why were the majority of employers prepared to recognize and negotiate with the WWU as the watersiders' bargaining agent, and to retain a unionized workforce? I will argue that there are two reasons for this development.

Firstly, it would have been difficult for employers to break the control of the WWU over representing watersiders in bargaining, and their coverage of work. The strength of the Union, which developed within the state-regulated system, placed it in a position to resist encroachments upon it by employers seeking to drive a wedge between its branches and their members using tactics sanctioned by the ECA. Secondly, the provisions of the ECA, in weakening the Union's bargaining position, meant that employers could achieve considerable gains in terms and conditions (like abolishing penal rates) without doing so. Furthermore, the ECA allowed employers to modify work practices substantially. Thus the bargaining outcomes were a product of the Union retaining a modicum of control over the labour supply, in keeping workers unionized, and of what employers

could achieve with this already unionized workforce in the climate created by the Employment Contracts Act. I will briefly expand on each of these points.

The fact that the WWU was firmly entrenched and well-organized at the port level is one of the reasons why employers were prepared to recognize and negotiate with it, and why they did not attempt to break the Union by introducing non-union labour. In Chapter 10, I demonstrated that since the 1970s the former Waterside Workers Federation exercised increasingly tighter control over the labour supply (which admittedly was diminishing through voluntary redundancies) to the point where a tightly sealed national labour market developed. Although the Union lost formal joint control of the labour supply when the Waterfront Industry Commission was abolished in 1989, as we shall see, the degree of control over the labour market that had been accumulated within and through the legally regulated system assisted the Union's branches in retaining actual control of the labour supply. This control, in turn, allowed them to keep the workforce unionized and well-organized at the local level. The very success of the bureau system, from the Union's point of view, through which it gained considerable control of the labour supply, set palpable limits upon what could be achieved by employers in the deregulated environment.

Furthermore, it was not possible for companies to circumvent the Union by relocating their operations to 'greenfield' sites because ports, by their very nature are spatially fixed, and it is exceedingly difficult and expensive to establish new ports. For this reason, employers could not 'escape' from well-established union branches (at the port level) and a unionized workforce. Consequently, employers had to restructure their operations using labour that was already well-organized. At ports where companies did attempt to circumvent the Union they were met with vehement opposition; the degree of resistance at the Port of Lyttelton to what, at best, can be considered a challenge to a peripheral area of work, bears witness to

this. Thus all attempts by employers to remove their workforce from union coverage, under the provisions of the Employment Contracts Act, came up against the barrier of labour that was already well-organized and embedded at the local (port) level.

As I will demonstrate below, not only did the Union retain a presence on the waterfront, it continued to exert a degree of control over the labour supply. This control is indicated by the success of its branches in unionizing casual workers, and in acting as the bargaining agent for watersiders at each of the ports. It is further indicated by the failure in 1992 of the first company which attempted to employ a non-union workforce for stevedoring work (see below).

However, I am not suggesting that the shift to enterprise bargaining posed no problems to the Union, with respect to maintaining the high degree of organization which it had previously achieved in the state-regulated environment. Coupled with the shift to direct employment, enterprise bargaining further divided the membership at each port between the companies which operated there. And rivalries, splits, and tensions did emerge within the membership at some ports, such as Timaru (see Chapter 13). There was nothing automatic or guaranteed about the level of union organization which hitherto existed on the waterfront. As I will explain below, the Union's branches had to do a considerable amount of work in order to keep this level of organization in place, given the split of workers between companies and the introduction of enterprise bargaining.

In addition, apart from the existence of a well-organized union which would have been difficult to circumvent, the majority of employers were actually prepared to tolerate a union presence on the waterfront in the climate created by the ECA. This is because the Act enabled employers to erode the terms and conditions of work, and it weakened the control that watersiders, under the umbrella of their

Union, previously exerted over work practices. Under the Act a variety of tactics, other than attempting to drive a wedge between the WWU and its members, were available to employers in securing 'flexibility'. As we shall see, under the ECA waterfront employers were able to achieve considerable gains without attempting to circumvent the Union.

In elaborating these points I will first deal with the nature of the employment contracts that were negotiated, and the modicum of control over the labour supply that the Union retained, after the ECA was introduced. I will then shift from the formal provisions of employment contracts, to the terms on which work was actually carried out in the post-reform period.

(4.2) Negotiating Employment Contracts: Positions and Strategies

In the standard refrain, the rationale provided by employers for enterprise bargaining is "to achieve a wage-work bargain that more closely reflects the specific operational requirements of the enterprise or establishment concerned" (Boxall 1993:150). For instance, the General Manager of New Zealand Stevedoring, Bob Seamer, spoke of "a need for terms and conditions of employment which met our enterprise's needs."[21] This sentiment was echoed in a comment by the Company Secretary of the Port of Tauranga Ltd (a port company), Athole Herbert, to the effect that the Employment Contracts Act provided the opportunity for "individual employers to actually manage the implementation of employment conditions and practices in each enterprise."[22] But despite this purported desire to 'tailor make' employment contracts to suit each company (or branch thereof), the changes to the terms and conditions contained in the previous award that the employers were seeking in this bargaining round distilled down some broadly similar sorts of things.

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[21] Ibid.

[22] Speech to Shipping, Waterfront and Ports Conference, Auckland, 27/6/91.

Generally, in negotiating employment contracts, the employers' catchcry was the need for 'more flexibility' than had been achieved in the national award and port schedules which had been settled in 1989 under the Labour Relations Act. Interviews I conducted with senior managers at the Port of Lyttelton in 1991 were peppered with references to the need for greater flexibility. The following comment by the Cargo Handling Manager of the Lyttelton Port Company, in reference to the container terminal is typical:

> Basically we've got a three shift system here now. There are days when no ships come in, quite a lot of days when no ships come in. There's a certain amount of work that still needs to be done in the areas of receival, delivery . . . and this sort of thing, but we don't need the whole workforce here on those days, so probably we are going to be forced into looking into some other arrangement for working. Probably a more flexible working pattern. So that a set number of people come in and the others are called in as required. For instance, I think in Tauranga they work any five days out of seven in their conventional port code. Maybe something like that, without paying them to work four days and then paying them overtime to work at the weekend or whatever, then you just say 'right, well there's five days work: Monday, Tuesday, Wednesday, Friday, Saturday, Sunday'. Well that's just the basic weekly wage they get for that. . . . More flexibility, that's what we need. . . To try to get the maximum return for your basic hourly wage, rather than be stuck with all of these punitive rates. While you're employing someone that you don't want to employ early on in the week, and then having to pay punitive weekly rates at the weekend. (Interview)

This comment is worth quoting at length for two reasons. It highlights (and links) two of the main types of flexibility: in working times (temporal flexibility) and in pay (financial flexibility).[23] And it indicates that the Port of Tauranga provided the model for temporal flexibility which companies at other ports sought to emulate after the shift to enterprise bargaining. It will be recalled from the previous chapter that Tauranga was the only port where 5 over 7 was achieved

[23] See Atkinson (1984, 1985).

during negotiations for port schedules in 1989. Indeed, this was flaunted by the Tauranga Port Company's secretary, Athole Herbert, in mid-1991: "At the Port of Tauranga, because of the special labour conditions arrived at after 34 days' strike, we have a set of labour conditions unique on the New Zealand waterfront."[24]

As well as increased *temporal* flexibility, companies were also seeking greater provision to use *casual labour*, as another way of dealing with the fluctuations in daily activities referred to above by the manager from the Lyttelton Port Company.[25] In some companies this strategy was coupled to a move to effect more redundancies, in order to cut back the number of permanent employees. With respect to 'financial flexibility' there was an overall move to lower wage rates by introducing flat hourly rates (which eliminated overtime rates, skill rates and so forth). In terms of flexibility on the job, there was a push to further erode task boundaries and to eliminate lines of demarcation. Not all of these types of flexibility were given equal emphasis by each company.[26] But generally it was some combination of these basic types of flexibility that companies sought in the first round of enterprise bargaining under the ECA.

As I noted above, in making the transition to enterprise bargaining the Waterfront Workers Union was assisted by being well-organized at the port level. Significantly, the Union was not challenged by any of its members as their bargaining agent in negotiating enterprise agreements. As I noted in the previous chapter, tensions between the Union's branches and the national organization (re)emerged in the 1989 bargaining round. However, in negotiating enterprise

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[24] Ibid.

[25] In the management literature this is referred to as 'numerical flexibility' (see Atkinson 1987).

[26] For example, task flexibility was more important for some port companies (which had combined workforces of harbour workers and watersiders) than for stevedoring companies. By the same token, some stevedoring companies sought greater temporal flexibility from their permanent employees, in preference to increasing the number of casual workers they were able to employ.

agreements in 1991, with the exception of Auckland, all of the local branches of the Union relied on the national office for representation in negotiations.[27]

However, this is not to say that the shift to enterprise bargaining did not pose any problems for the Union. The Union and its local branches had to go to considerable lengths organizationally to prepare to negotiate enterprise agreements with each employer in each port. As it had done in previous bargaining rounds, the Union used a national negotiating team that travelled around the various ports. This team comprised national officials, and in negotiations within each port drew in representatives from the local branch, which included the local union secretary and union delegates from the company in question.

I began to conduct initial fieldwork at the Port of Lyttelton at this time, and it quickly became apparent that much work had to be done by the local branch of the Union in order to keep its former level of organization in place, given that members were split between different firms, which were to be subject to separate employment contracts. A Lyttelton union delegate commented that watersiders at the port were:

> independently employed by the Port Company, New Zealand Stevedoring, and Pacifica. Which has meant, of course, that the Union is now divided into three different entities, with a union secretary having to have some form of allegiance to three different . . . groups of people, probably with different values and different ideas. (Interview)

One way this split was dealt with, in the context of enterprise bargaining, was to utilize and indeed strengthen the delegate system, whereby union delegates were

[27] Auckland's resistance to involving national officials of the Union is unsurprising given the somewhat uneasy position that Auckland had always occupied within the watersiders' national organization. It should be noted, however, that the Auckland branch did seek the help of the national officers when Ports of Auckland threatened to replace its container terminal staff.

elected by the workforce from each of the companies. This was particularly important insofar as delegates were involved in negotiating employment contracts. As an experienced delegate commented:

> I think the delegates themselves are going to have to be more vocal because they've got more responsibility. We might have to start training people to be a little bit more hard-nosed, a little bit more information in the old computer [their heads], so's they can argue a case. (Interview)

The relative balance between the Union's national representatives and its local branch officials changed somewhat with the shift to enterprise bargaining. The General Manager of New Zealand Stevedoring, Bob Seamer, claimed that negotiations "primarily involved local employee representatives who were driving local talks along with a national or regional Union delegate acting as advisers only."[28] In some respects this comment overstates what actually occurred, for the Union's national officers were deeply involved in the negotiations, and were more than mere 'advisors'. Notably, enterprise bargaining raised the possibility of further competition on labour rates, not just between ports (as in the case of port awards), but between companies within each port. This represented one of the biggest threats, insofar as it raised the possibility that companies would try to undercut each other by pushing rates down. Thus one of the most important roles of the national officials in negotiating enterprise agreements was to attempt to retain some basic uniformity between companies on wages and conditions. One union secretary remarked, regarding the role of these officers, that:

> the coordination, that sort of aspect, is just as important as it was before. Perhaps even more so now you haven't got a national award. They've really got to try and tie all those separate awards into some common thread that doesn't promote competition on labour rates basically. . . . [T]hat's the ultimate protection. (Interview)

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[28] Speech to Port and Shipping Reform Conference, Auckland, 27/3/92.

In some respects the Union's national negotiating team was in a strategic position to know all of the rates negotiated with each company, whereas companies themselves did not generally have access to this information.[29]

Despite the involvement of the Union's national officers in these negotiations, there is at least a grain of truth to Bob Seamer's comment because the Union's members *qua* company employees had the final say on their employment contract. A WWU executive member offered the following observation on this matter: "Each port's always had its own way of doing things. And now we've got different companies, we're doing what the men want in each company" (fieldnotes). Another national union official had some misgivings about this situation insofar as it could lead to "the tail wagging the dog" (fieldnotes). Certainly it was much more difficult for the national Union to veto agreements (which it did in 1989) even though, formally, it was a signatory to them. I will now move on to examine some of the contracts that were settled.

(4.3) Negotiating Employment Contracts: Bargaining Outcomes

One of the first companies to settle collective contracts at the enterprise level was New Zealand Stevedoring (NZS).[30] It is worth focussing on this company is some depth because it was the largest (and the only national) stevedoring company in the country, employing approximately 40% of all watersiders within its branches at 11 of the country's 13 ports. This company is a case in point of what employers could achieve, while recognizing the Union and negotiating collective employment contracts, under the ECA. The General Manager of NZS, Bob Seamer, made the following comment at a conference at 1991:

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[29] One member of the national negotiating team later told me, in an interview, that he had been offered a bribe by a representative of one company to divulge the hourly rate paid by another company at the same port.

[30] By September 1991 New Zealand Stevedoring had settled collective employment contracts at 8 of its 11 branches.

> There were some who criticized us for recognizing or involving the Union [in negotiations] despite this being their legal right under the ECA. We believed however that we were putting the Union in a position where they too had to act responsibly or face the legal and financial repercussions open to us. More so however the Union leaders were subjected to the wishes of our employees whose jobs depended on the financial success of the company. In general we found Union leaders responsible and willing to accept change. A new and commendable attitude of responsibility was very evident.[31]

Seamer claimed that he adopted consultative approach:

> the Employment Contracts Act offers a new challenge and we've handled the change in legislation through consultation with our staff over the last 10 months. We've held several seminars where we shared with key employees sensitive company data including profitability and productivity. Through this consultation process, we have already made considerable progress towards achieving our port by port contracts. While we recognize the process will be more difficult in some ports, we believe we will arrive at agreements which will enable the company to survive through this present recession.[32]

The extent of this 'consultation', and whether or not it truly constituted 'managed change' is a moot point (conversations I had with union officials at the Port of Lyttelton, at least, suggested otherwise). But, significantly, this company did not utilize outright 'anti-union' tactics - unlike some of the smaller stevedoring companies which I will identify below.

Bob Seamer was himself intimately involved in the negotiations which took place within each of the company's branches. He later commented that: "The negotiating process took over 12 months and involved myself and my Personnel Manager being 'on the road' around our 11 branches for much of that time, but

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[31] Speech to Port and Shipping Reform Conference, Auckland, 27/3/92.
[32] Ibid.

such a commitment is required to achieve real change in employment conditions under the Employment Contracts Act."[33] Seamer directed negotiations through the intermediary of what a union official described as a "professional negotiator" (fieldnotes). Thus the Union's national negotiating team did not bargain with the managers of the local branches of the company. Strictly speaking, NZS negotiated site (as opposed to enterprise) agreements at the level of its local branches. But in many respects the process of site bargaining was still directed nationally by the company's General Manager.

Two things were of paramount importance to the company in these negotiations: securing greater flexibility of working times and attacking penal rates and overtime rates (in an effort to decrease wages). Significantly, there was not an all-out push by NZS for the unlimited use of casuals (by abolishing the varying percentage restriction on casual labour contained in the port schedules). Instead, at all ports, the company sought greater temporal flexibility (in the form of '5 over 7 or '40 over 7') as a means of dealing with peaks and troughs. The Tauranga branch of the company already had 5 over 7, but the company sought to extend this type of working time arrangement to all of its branches. That the company clearly adopted this tactic, rather than pushing for more casual labour, is clearly indicated by comments by Seamer against the unbridled used of casual labour (see below).

At a conference in 1992, Seamer spoke openly of the collective employment contracts that were settled:

> These contracts are primarily "40/7" systems or the working of 40 hours over any seven days, 24 hours per day and they were achieved with wage cost savings that have reduced earnings back to pre 1989 levels. This is not a regular rostered shift system, but a system where the company nominates which two days an employee

[33] Ibid.

> may have off - usually not consecutively and as well determines which shift, day, afternoon or midnight, the employee will work. . . . We believe in most cases the wages, which we admit are higher than those outside the wharf gates, are justified because of the anti-social work pattern and "on demand" nature and expectations of the shipping and export/import industry.[34]

Seamer's comment that wages compensated for the 'anti-social' hours of work (under this irregular three shift system) is interesting because, as he himself notes, wage rates had in fact decreased under these contracts (albeit not to the level 'outside the wharf gates').[35] The basis of the payment system was changed to a flat guaranteed salary comprising 40 hours pay (whether work was available or not) at a specified hourly rate. The graduated skill rates, industry allowance, and availability payments specified in the expired port schedules were incorporated into the hourly rate so that all watersiders within each of the company's branches received the same basic hourly rate (which was premised upon maximum flexibility on the job). The cuts in pay rates in the NZS contracts were achieved primarily by abolishing penal rates for weekend work (a crucial part of the 40 over 7 system, from the company's point of view), and by cutting overtime rates back to a flat hourly rate lower than the rates which previously obtained.

Pay rates differed between the branches of NZS at each port (for example, the hourly rate at Lyttelton was $18.50, whereas at Bluff it was $17.00).[36] These differences in rates reflected, to some extent, variations in rates of pay between ports under the port schedules which were settled in 1989. Because of these already-existing differences, it was more feasible for the Union to attempt to keep pay uniform between companies *within* ports, rather than between ports. In this respect, some of the NZS contracts, insofar as they were settled early in the piece,

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[34] Ibid.

[35] This sharply contrasted with the previous wage round. In the negotiations in 1989 pay rates had increased (see Chapter 13), and these had been further 'topped up' by a 2% increase in 1990.

[36] There were also some minor variations in the hours of work, notably that Auckland and Tauranga had a '5 over 7' system (working 5 days out of every 7), as opposed to the 40 over 7 system that operated within the company's other branches.

established 'benchmarks' for the Union to work with. Nonetheless, the point which should not be overlooked is that under the provisions of the collective employment contracts that were agreed to, because of the abolition of penal rates and modifications to overtime payments, the wages of NZS employees decreased across the board.

The reason why the Union and its members accepted these pay cuts undoubtedly is that they were negotiating from a position of some considerable weakness under the Employment Contracts Act. Tactically, it was impossible to strike at anything other than the enterprise level. This severely curtailed capacity for collective action was compounded by the fact that watersiders at many ports faced the threat of redundancy (both from NZS and other companies). Indeed in these negotiations Bob Seamer painted a picture of intense competition and financial difficulties which were detrimentally affecting NZS's branches. At the Port of Lyttelton, at least, the introduction of 40 over 7 (together with changes in pay) was practically a *fait accompli*, as it was already being trialled prior to the settlement of the new contract. A watersider who worked for New Zealand Stevedoring's Lyttelton branch explains:

> When I went into the new company [post-1989] conditions and wages were very, very good. Everything was charming, until they put the pressure on us. And they were going to put 14 men [off], make them redundant, because they said they couldn't afford to keep 'em. We didn't want to give them any of our workers, so they turned around and said 'right, what about if we give a trial and keep them in but 40 over 7'. That is, work any 40 hours in 7 days. No overtime, but when you work an extra hour, that's after your 8 hours, they'll give you an extra third, it worked out to about a third extra. Anyhow we decided we'll do this for a three month period so we could keep our 14 workers on the job. That was the worst thing we ever did do, because once we started this 40 over 7 they would never . . . turn round and say 'we'll put it back to the other way'. As I say, we were getting overtime for Saturday, double time for Sunday and yes it was very profitable. But soon as they turned over on this 40 over 7 my wages went down between 11 and 12 grand a year. (Interview)

The employer attitude (which was not unique to NZS) was expressed by a stevedoring company manager as a choice between "more flexible arrangements and keep more [watersiders] on, or less flexible arrangements and more go."[37]

But these concessions on terms and conditions of work were counterbalanced by the fact that the Union held the line in some areas. Although penal rates for weekend work were lost, overtime payments were retained (albeit at a lower rate than before). And the basis of the salary guaranteed 40 hours pay per week, even if watersiders worked for a shorter period. Equally significant, however, is the fact that the 'casual ratio' was retained in all of the contracts (although this ratio differed between ports). Casual labour could only be utilized in a certain proportion (typically 25%, but at some ports as much as 50%) when permanent employees were not available to fill the positions in question. Also, provisions were formally written into the contracts for 'B' registers of casuals comprising watersiders made redundant by the company, along with the provision that the individuals on the B register had 'first preference' for all casual work that became available. Further casual workers could be used after those on the B register had been deployed, but this had to be "after consultation with the employees." Furthermore, permanent watersiders had the 'core' positions, and when these workers were not available men on the B register filled these positions.[38] These provisions were crucial, insofar as a vital part of the Union's strategy was to keep casuals out of the skilled positions (such as driving heavy equipment) in order to forestall further casualization.

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[37] As quoted in *New Zealand International Business*, February/March 1992.

[38] The following clause was contained in each of NZS's collective contracts: "The company will . . . maintain a B Register of casuals made up of previous company employees and such workers shall be given first preference for available work, provided that such industry qualified workers may be used in skilled positions, where all qualified permanent workers have previously been placed in other skilled positions."

To be sure, the Union's success in retaining restrictions on casual labour in the NZS contracts was assisted by the fact that the company was not seeking to increase the number of casuals it employed - instead seeking maximum temporal flexibility through the introduction of 40 over 7. Similarly, keeping casuals out of skilled positions to some extent equated with the 'preference' of this particular company with respect to ensuring that its permanent workers had continuous work.

Not all companies took the approach of NZS. Indeed, some employers criticized the NZS contracts as being too generous. For example, Stephen Poole, the Managing Director of Leonard and Dingley, publicly criticized NZS for guaranteeing pay for 40 hours per week whether work was available or not.[39] Conversely, the Union to some extent regarded the NZS contracts "as a base line for negotiations with other companies."[40]

While only a handful of companies (like Ports of Auckland Ltd) attempted to circumvent the unions by displacing their members, many other tactics, provided for under the ECA, were used by employers in order to get leverage in negotiating with the Union employment contracts that embodied the requisite amount and type of 'flexibility'. These tactics included lockouts, the explicit threat of redundancy, and refusal to negotiate *collective* employment contracts. A number of the port companies adopted these tactics, along with some of the stevedoring companies.

One of the worst cases involved Associated Stevedores at Tauranga under the direction of Les Dickson, who was the Managing Director and co-founder of (and a substantial shareholder in) the company. Dickson, who became Chairman of the New Zealand Stevedoring Employers Association in 1990, 'telegraphed' his

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[39] As quoted in *New Zealand International Business*, February/March 1992.
[40] Ibid.

approach in a paper presented at a conference on waterfront reform which I attended in June 1991: "My view is that an employer on the waterfront must decide whether or not it is mutually beneficial to encourage workers to organize. If the answer is yes, then an employer should ideally pursue the negotiation of a CEC [Collective Employment Contract]. This would certainly encourage worker organization."[41] The inference that I drew from this comment, in light of the tenor of his speech, was that he did not regard 'worker organization' as desirable.

Unlike New Zealand Stevedoring, Dickson sought complete freedom to use casual labour, as and when required, by attempting to abolish the restrictions on casuals contained in the expired Tauranga port schedule. These restrictions were threefold: gangs comprising only casuals were not permitted, permanent employees had to operate ship's gear and other equipment which required certification, and the number of casuals that could be engaged was limited to 50% of permanent employees (Kiely 1991). After the award had expired, Dickson attempted what in legal terms is described as a "unilateral variation of contract" (ibid:1991:12). He refused to negotiate collective contracts, and in a (somewhat hamfisted) attempt to assert his managerial prerogative, issued *individual* employment contracts which did not contain the restrictions on casual labour that had been contained in the expired port schedule.

A case was then taken by the Union to the Employment Court, which gave rise to a landmark decision, in July 1991, on the rights of employers under s 19(4) of the ECA to vary contracts which had expired (see Kiely and Caisley 1993:57). Kiely writes: "The employers' argument was basically that the matters omitted from the individual contracts were essentially collective in nature and could not properly be incorporated into an individual employment contract. The Court . . . considered

[41] Speech to Shipping, Waterfront and Ports Conference, Auckland, 27/6/91.

that the terms did concern the individual employee either directly or indirectly and accordingly had to be included in the individual employment contract" (1991:13).

Although Associated Stevedores lost the case, it then entered into negotiations for a collective employment contract and in September 1991 threatened a 'partial lockout' when the Union refused to abolish the casual ratio. Under this type of lockout the company simply 'locked out' the conditions in watersiders' existing individual employment contracts relating to the restrictions on casual labour. The company's position was that these conditions would be locked out until its employees agreed to a contract without these restrictions.[42] The Union challenged the lockout, but the Employment Court ruled that it was legal.[43] Although Dickson was not able to substantially alter the situation with respect to using casual labour, by continually using such (legally sanctioned) tactics he kept his employees on individual employment contracts.[44]

Negotiations at most ports occurred under the cloud of possible further redundancies, particularly on the part of the port companies. Some employers even used the threat of redundancy as a bargaining tactic. I mentioned above the case involving Ports of Auckland Ltd where threatened redundancies (under the guise of restructuring) forced workers into accepting a collective employment

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[42] *National Business Review*, 6/9/91.

[43] Technically, according to rulings of the Employment Court, a partial lockout in negotiations for a new employment contract does not amount to a 'unilateral variation' of the contract. In practice, however, it may amount to the same thing. Kiely et. al. note: "When an employer engages in a partial lockout of this type, it is not a variation of the contract. The contract remains extant, and the employer is clearly in breach of the contract. However, if certain conditions are met, the breach of contract is rendered lawful, pursuant to s 64 [of the ECA]. If at any time the fundamental circumstances change, the employer's actions may be deprived of the protection they otherwise have, and the breach of contract would again become unlawful. Accordingly, it is clear that the contract itself has not been varied" (1993:64). Ross Wilson makes the point more forcefully: "The courts have ruled that it is legitimate for employers to unilaterally change the terms . . . of contracts once old agreements or contracts expire, provided due notice is given and the employer claims that the change is in fact a lock out" (1992:5).

[44] Watersiders employed by Associated Stevedores were kept on individual employment contracts from 1991 until 1994, when the company was taken over by BHP which negotiated a new collective employment contract.

contract with a flat hourly rate (which eliminated all overtime payments). Similarly in June 1991, prior to the negotiation of employment contracts, the Lyttelton Port Company announced 130 redundancies (of watersiders, harbour workers and clerical staff).[45] Then, less than a month later, the company further detailed plans to seek a 12-14% wage cut in negotiations.[46]

In some cases, negotiations were very lengthy and contracts were not finalized until well into 1992. This was particularly the case with port companies which, in many cases, negotiated contracts that integrated the workforces of harbour workers and watersiders.[47] After the abolition of the Commission, and the attendant shift to direct employment, the distinction between harbour workers and watersiders was briefly retained. The two occupational groups were covered by separate (national skeletal) awards. But this distinction was effectively abolished by the ECA. This was expressed by the Secretary of the Lyttelton Harbour Workers Union in the following way:

> Under the new Act there is no demarcation as such. So accordingly the employer has that on a plate, unless we have an ability to put protections in. The only way we can do that is by approaching it on a joint basis. (Interview)

The fact that the two unions had to cooperate in bargaining was not new, because they had cooperated in this manner for twenty years in relation to the composite workforce agreement in the container terminal. But it did pose the problem of integrating two different workforces and two groups of union members. The same union secretary commented that:

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[45] *Christchurch Press*, 22/6/91.
[46] *Christchurch Press*, 5/7/91.
[47] To recap, 'integrated' workforces of this type were employed by port companies only, because these companies replaced the harbour boards which had formerly employed harbour workers.

> there will have to be an amalgamation effectively of principles and conditions, wages, remuneration, to some extent. If you're going to have one document then while there may be variations within it, depending on what people do and what their functions are, there will be . . . a fairly wide range of common general conditions, like overtime, sick pay, holiday pay, redundancy, and we'll have to negotiate that amongst ourselves first and then negotiate that position with the employer. (Interview)

Indeed, these negotiations required a good deal of preparatory work by the two unions. For example, at the Port of Lyttelton, the local union branches spent a great deal of time discussing matters, prior to entering into negotiations with the Lyttelton Port Company for a collective contract that covered both watersiders and harbour workers. The negotiations for this contract took some seven months (until mid-1992).

(4.4) Summary

Overall, the first bargaining round under the ECA resulted in the settlement of collective employment contracts. There were only a handful of companies (like Ports of Auckland Ltd and Associated Stevedores) which insisted on individual contracts, in an attempt to drive a wedge between the local branch of the Union and its members. However, the actual bargaining outcomes, in terms of wages and conditions, varied considerably between companies and ports. Overall, it appears that most companies achieved changes in working times, and many companies achieved pay cuts (so-called 'financial flexibility') relative to the levels under the previous port schedules. At least 40% of all watersiders (namely those employed by NZS) experienced cuts in pay rates and changes in working times.

Earlier in this section there is a quotation from Bob Seamer, the General Manager of the largest stevedoring company in the country (New Zealand Stevedoring), which suggests that he had been criticized by other employers for recognizing the Waterfront Workers Union as the legitimate 'bargaining agent' of his employees.

However, in the end, most employers were prepared to recognize the Union and to negotiate collective employment contracts. This was so for two reasons. First, it was difficult for employers to circumvent the Union insofar as it was entrenched at the port level. Second, in the environment created by the ECA, employers were in any case able to achieve pay cuts, changes to working times and, in the case of port companies, integrated workforces.

In the next section I will deal with the threat that casual labour posed to the Union, and how it was able to retain some semblance of control over the size and composition of the casual workforce. Indeed the modicum of control that the Union continued to exert over the labour supply is the main element of continuity with the pre-reform period. Then in the section which follows I will argue that the climate created by the ECA has led to an erosion of watersiders' control over work practices. This is the main element of discontinuity relative to the pre-reform period.

(5) The Re-Casualization of Labour?

> *One of the best outcomes [of port reform] has been the flexibility to use casual employees. The casuals want to work well, knowing there could be a permanent job down the track. Equally, the permanents don't want to be shown up by the casuals.*
>
> Stevedoring Company Manager.[48]

After the introduction of the ECA in 1991, there were no moves by the established employers of watersiders to completely recasualize the industry. Instead they adopted what might be termed a 'core and periphery' model (see Atkinson 1984), employing a 'core' of permanent employees that was supplemented by a 'peripheral' group of casual workers. Les Dickson (of Associated Stevedores) commented in a speech, in 1991, that:

[48] As quoted in NZBRT (1990:8).

> The challenge for stevedoring companies heading into the new environment . . . is to mix and match the engagement of a work force [sic] comprising the right balance of permanent skilled employees, with the ability to engage part time and non permanent workers to supplement [them] as required.[49]

The preferences of companies differed in terms of the size of the 'core' and whether they tolerated restrictions on casual labour. At the risk of oversimplifying employer strategies, there were two different sets of 'employer preferences' in this area. These were shaped by the interests and operations of the companies in question, in concert with the resistance by the Union to attempts to increase the proportion of casual labour used on the waterfront.

The first strategy utilized by some employers was to push the number of permanent workers down to the 'bare minimum', coupled with the flexibility to employ casual workers as and when required. As a Lyttelton Union Secretary commented: "The employers would like to have a very small pool of permanent, highly-skilled, leading-hand-type workers, who are topped-up as required with casuals."[50] Associated Stevedores, which I mentioned earlier, exemplified this approach insofar as it sought to increase the level of casualization by abolishing the casual ratio which was embodied in the port schedules that had been settled in 1989.

The second strategy is exemplified by the approach of New Zealand Stevedoring, which did not seek to alter the casual ratio in the employment contracts that it negotiated. NZS's General Manager, Bob Seamer, stated in 1992 that:

> We are opposed to significant casualization of the industry by an unskilled . . . work force. In the face of some opposition both

[49] Speech to Shipping, Waterfront and Ports Conference, Auckland, 27/6/91.
[50] As quoted in *People's Voice*, 1/7/91.

> internally and externally from some industry factions, we maintain that casualization would reverse the newly gained benefits of better productivity, quality and safety achieved since 1989. . . . The company recognises the need for casual staff during work peaks, particularly in ports where seasonal exports are an important factor, but only in non-skilled positions.[51]

NZS employed a larger number of permanent workers than some of its competitors were prepared to, instead seeking maximum temporal flexibility from them. Other companies fell somewhere between the two poles, with respect to the relative size of the permanent workforce and the casual workforce.

This 'core and periphery' type of labour market was precisely the arrangement which had existed in the 1950s and 1960s *with the consent of the unions.* However the difference is that, in this earlier period, non-union casuals were accepted because watersiders had security of tenure in the labour market by virtue of the registration systems which operated: exclusive bureau registers for watersiders which limited the size of the labour supply available to employers, and a union registration system which conferred preference upon union members. Indeed, based on these registration systems, the port unions had an interest in allowing the use of casuals insofar as it allowed them to keep bureau registers restricted (in order to keep average wages up). Equally, individual watersiders further benefited from the use of casuals as a supplementary workforce insofar as it allowed them to take holidays and days off during peak periods (see Chapter 4). It was only after downward pressure was placed on bureau register strengths in the 1970s that the unions sought to limit the number of casuals by establishing supplementary registers.

After the Waterfront Industry Commission was abolished, and the legal and institutional underpinnings of the labour market were removed, watersiders no

[51] Speech to Port and Shipping Reform Conference, Auckland, 27/3/92.

longer had security of tenure in the labour market insofar as they were directly employed by firms. In this new environment casual labour became the greatest threat to union control of the labour supply and the labour market. Casual labour was a threat to permanent watersiders' jobs, which is why the percentage restriction on casuals was so important. But it was the possibility of *non-union* casual labour that posed the greatest threat, insofar as non-union casuals could undermine the terms and conditions of work of permanently employed watersiders.

In the first round of negotiating employment contracts in 1991, the Union had considerable success in retaining the percentage restrictions on casual labour which had been encoded in the expired port schedules (25% at most ports), and in keeping casuals out of skilled positions. The casual ratio was abolished in employment contracts negotiated with companies at a handful of ports only. For example, the fruit-loading ports of Nelson and Napier had provision for unrestricted numbers of casuals for 16 weeks (the height of the export season) under the port schedules that were settled in 1989. Under the ECA this provision was transformed into unrestricted casualism at these ports. This was assisted by anti-union tactics of companies such as Omniport at Napier, which was formed in 1990 to load apples for the Apple and Pear Board. Similarly the port company at Nelson (Port Nelson Ltd) sought (and achieved) the unrestricted use of casual labour.[52]

At all other ports, however, the casual ratio was retained. Even the more 'aggressive' port companies, like the Lyttelton Port Company, retained the casual ratio (which in this case was 25%). To be sure, some of the contracts, like the one

[52] Indeed this was one of the two main 'benefits' of the ECA identified by the Doug Green, the Managing Director of Port Nelson Ltd. At a conference in 1991 he stated: "From Port Nelson's point of view, the Employment Contracts Act has given us the opportunity to employ unlimited casuals throughout the year and to offer our employees individual contracts." (Speech to Shipping, Waterfront and Ports Conference, Auckland, 27/6/91)

with this company, stated that employers could hire above the ratio, when required, but first they had to consult with the local branch of the Union. In some cases, the strength of a particular branch of the WWU enforced further limits upon firms at some ports. For example, when Associated Stevedores (which pushed to eliminate the casual ratio at Tauranga) intermittently operated at Auckland, the local branch of the Union forced it to *cross-hire* watersiders from other companies up to the 25% casual ratio.

The Union's success in retaining percentage restrictions on casual labour, by encoding them in the enterprise-level employment contracts which were negotiated in 1991, was undoubtedly assisted by the 'preferences' of companies, like New Zealand Stevedoring, which were not seeking to substantially alter the ratio. Equally, however, it was a result of determined opposition by the Union to changes in this area. The case of Associated Stevedores at Tauranga amply demonstrates this. The two ports where the casual ratio was lost were the ones that were subject to substantial fluctuations in labour requirements anyway (and did not employ many permanent workers), and which already had unrestricted casualism - albeit only for four months of the year - under the port schedules.

Of equal importance to the formal provisions of employment contracts which limited the use of casual labour, was getting the casuals to join the Union, in order to exercise union discipline over them. One union official, at the Port of Lyttelton, expressed the threat posed by non-union casuals in the following manner:

> You're . . . competing against casual labour in terms of rates. . . . You're competing with that great pool of unemployed who effectively have to work for $6.54 an hour or lose the dole. So . . . that will be the market force pressure to drive down wages and conditions, and its happening already. . . . [Casuals] will undercut those already there, so that they will then be in the position of having to make a decision about cutting their conditions to maintain their level of work. . . . The bottom line is that you have to

> unionize those workers. You have to get them to understand its in their interest as well to have protections in place. Otherwise they end up competing against themselves as well. (Interview)

Because of the 'freedom of association' clauses in the ECA, employment contracts could not stipulate that casual workers had to join the Union. Rather, such restrictions had to be achieved by the Union's branches informally at the local level. In doing so, they drew on organizational resources and networks which had been retained from the previous era when the port unions had joint control of the labour supply. Indeed the Union had considerable success in unionizing casuals. In 1991, at least, over 95% of casuals at all ports were members of the WWU.

Once again, in many cases, the Union's success in this area was assisted by the fact that it was able to incorporate into employment contracts provisions for 'B registers'. As I noted above, the majority of contracts negotiated with New Zealand Stevedoring had this provision, as did contracts with companies such as the Lyttelton Port Company. Under these provisions, watersiders who were made redundant (or opted for voluntary redundancy) could be placed on these registers, which gave them priority for work as casuals. Typically, there was little difficulty in getting redundant watersiders, who had already been union members, to join the Union. And in many cases the remaining casuals were the same ones who had worked under the port schedules negotiated in 1989, and *already* were members of the Union.

At the Port of Lyttelton, for instance, the provision for 'B' registers in the employment contracts settled with the two of the three companies, New Zealand Stevedoring and the Lyttelton Port Company, greatly assisted the Union in keeping casuals unionized.[53] As well as ex-watersiders, these registers contained the names primarily of relatives of watersiders. A foreman who worked for the

[53] The third company, Pacifica Shipping, did not employ any casual workers.

Lyttelton branch of New Zealand Stevedoring said: "They've got about sixty [permanent employees] in Lyttelton now, and as the need arises they take on relatives of the watersiders. You must be a son or a son-in-law or something to get a job as a casual" (interview). When I was conducting fieldwork at this port in 1991 the Union Secretary told me that, not only were all casuals auxiliary members of the union, they all paid a union fee.[54] In this sense, the casuals were 'semi-permanent'. The same kinship networks and ties which underpinned the formal bureau registers were utilized in keeping a modicum of control of the composition of the labour supply.

In Chapter 10, I demonstrated that the formal registration process was underpinned by kinship networks which were drawn upon by the (former) port unions in recruiting watersiders to the bureau registers. Given the abolition of the formal joint control of the labour supply, the Union's branches continued to tap into these already-existing 'informal' networks and ties, which underpinned the formal organization of the labour market, in order to keep control of the composition of the supply of casual labour.

The Port of Wellington is another example where the local branch of the Union managed to achieve control over hiring casuals. At this port, the Union Secretary maintained a prioritized list of men who could work as casuals (it was referred to as "the casual list"). The individuals whose names were on the list were, predominantly, relatives of waterside workers employed at the port. The men on the list were issued a Union card, and the Secretary sent them a copy of the Union newsletter. The 'casual list' was circulated to the three employers in the port which (according to the Union Secretary), in the main, they used when hiring casuals. This was done under threat from the Union of the permanent employees

[54] As I noted in an earlier section, the exception at this port was Independent Fisheries which employed non-union casuals.

on a job stopping work if a company hired non-union casuals. Thus in this port the Union acted as a de facto labour broker, by regulating the hiring of casual labour.

At many ports, however, it was the pressure applied by the permanent watersiders to the casuals, as much as the efforts of union officials in 'policing' the labour supply, which resulted in them joining the WWU. The Ports of Napier and Nelson, where unrestricted casualism was permitted, are a good example. A national union official said that permanent men in such ports applied pressure to casuals to join the Union: "It might not be exactly legal, but it happens" (fieldnotes). In response to my questioning as to why the majority of casuals joined the Union, another official commented that: "they have to work beside our members" (fieldnotes).

To be sure, getting casuals to join the Union did not solve all of the problems that they posed. This was expressed by a Lyttelton union official who said to me that, although casuals may join the Union, "they don't necessarily take any notice of anything that the union has to say" (fieldnotes). A comparable example involving permanent workers occurred when Omniport, a stevedoring company in Napier, recruited 23 men "straight off the street" (in the words of a WWU official). Although these new permanent workers joined the Union, they then agreed (against the policy of the Union) to an employment contract which allowed casuals to do skilled job.

Nonetheless, in the 24 months after the contract was settled in 1991, the Omniport workers, according to a national official, had gone from "an arm's length relationship" with the Union to having "become much more active within the

Union."[55] Although these were permanent employees, and thus had a long-term 'stake' in their jobs, the point still applies in the case of casuals. There is no doubt, that having casuals unionized (irrespective of the degree of notice they take of the Union), organizationally, is extremely important. This is because it is the first step in bringing them into the fold, in making them realize that their own interests are served by collective organization and representation. In the climate created by the ECA, where non-union bargaining agents are always a possibility, it is particularly important.

Undoubtedly, it was the fact that the Union was already well-organized, and 'entrenched' at the port level, that allowed it to retain the 'casual ratio' (at all but two ports) and to keep casual workers unionized. The formal 'joint control' over the labour supply that existed in the regulated period translated into a considerable degree of informal control by the Union after deregulation. All attempts to recasualize the industry, and to introduce non-union casuals, came up against the barrier of labour that was already unionized and well-organized at the port level. Equally, however, the majority of employers tolerated an extensive union presence on the waterfront because, in the climate created by the ECA, and under the provisions of the employment contracts that they negotiated, they were able to substantially erode control that watersiders previously exerted over work practices. It is the organization of work in the post-reform period that I will now address.

(6) Reorganizing Work

A paradoxical situation developed on the waterfront in the post-reform period. On the one hand, gang sizes were drastically cut, in some cases by as much as half

[55] Personal Communication, 14/7/94.

(see Chapter 13). But, by all estimates, levels of productivity increased. Consider the following figures regarding the Port of Tauranga.

Table 14.1: Port Tauranga Productivity

Cargo	Tonnes Per Gross Gang Hour		
	1989	**1990**	**1991**
Logs	74.2	78.8	114.9
Bulk	89.8	123.7	166.8
Kiwifruit	52.1	56.4	69.3
Butter	24.3	25.8	30.3
Dairy Products	24.3	25.8	91.1
Steel	53.6	76.6	91.1
General	37.0	45.5	57.2
Ro-ro	125.8	170.5	192.3
Conventional	28.7	29.9	41.0

Source: *Port Development International* (September 1991:51).

That these increases were achieved after gang sizes had been substantially decreased is significant. For instance, Trebeck (1990:5) notes that gang sizes for loading logs were decreased by half, which translated approximately to a 150% increase in productivity on this particular operation. Insofar as gang sizes decreased on all operations at this port, significant increases in productivity occurred across the board.

Many other ports experienced similar increases in productivity. For example, Ports of Auckland Ltd reduced manning levels by 26%, yet productivity at conventional wharves increased by 50% (from 10.15 to 15.26 tonnes per man hour).[56] Similarly, container exchange rates at this port increased in 1991 by 21.5%.[57] And the Lyttelton Port Company reported a 34% increase in productivity per employee in 1989 and another 28% increase in 1990.[58]

[56] Figures quoted in *National Business Review*, 24/1/91.
[57] *New Zealand International Business*, November 1991.
[58] Lyttelton Port Company Circular, 8/12/90.

These estimates must be treated cautiously (particularly insofar as companies are prone to presenting productivity increases in the best possible light), but there is a general consensus that levels of productivity increased dramatically in the post-reform period. Undoubtedly part of the explanation for this increase in productivity, which occurred alongside gang-manning reductions, is technological change. New technology was introduced by companies in order to achieve a competitive edge. As I noted in section two of this chapter, the port companies invested heavily in container technology. Similarly New Zealand Stevedoring invested in new forklifts, automatic log-loading equipment, and new equipment for loading scrap metal and wood pulp.[59]

However, the introduction of new technology does not fully explain the magnitude of the productivity increases at ports such as Tauranga. Only on some operations can productivity increases be explained in these terms. For example, the introduction of 'spiralveyor' equipment at the Port of Napier undoubtedly accounted for most of the productivity increases in loading apples at that port.[60] In many cases, however, the investment in new technology merely resulted in the introduction of more of a technology already in use (such as container handling equipment), in order to cope with increased cargo volumes. Productivity increases in the post-reform period are not just a result of the fact that employers have introduced new technology; rather they have done this in concert with eroding the terms on which work is carried out. As one watersider poignantly commented: "They told us with modernization and technology, the worker would benefit. . . . [Instead] they're using this depression and unemployment to squeeze every last drop they can."[61]

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[59] Comment by Bob Seamer in a speech to Shipping, Waterfront and Ports Conference, Auckland, 27/6/91.
[60] See NZBRT (1990:16).
[61] As quoted in *New Zealand International Business*, February/March 1992.

Increases in productivity, at least in part, are attributable to the erosion of a good deal of the control that watersiders formerly exerted over work practices. In the pre-reform period, the centrality of labour within the workflow systems on the waterfront (which continued even after containerization), together with the hiring arrangements under the bureau system, allowed watersiders to exert considerable control on the job - despite the potential of container technology to increase employer control of work. However in the post-reform period, following the shift to direct employment, the workplace power of watersiders has declined substantially. The potential for increased managerial prerogative on the job has, to a greater extent than ever before, been realized.

The primary consequence of direct employment was that employers regained control of hiring. As I noted in the previous chapter, after the Commission was abolished in 1989, some companies engaged in discriminatory preferential hiring (by excluding active unionists) and attempted to drive a wedge between the Union and its members. The fact that employers have regained control of hiring and dismissal, in the environment created by the ECA and in the context of massive redundancies, has transformed relationships on the job.

From the employers' point of view, one of the favourable aspects of the Employment Contracts Act is that it further facilitated the introduction of what the Chairman of the Stevedoring Employers' Association, Les Dickson, referred to as "flexible work regimes".[62] First and foremost, demarcation boundaries between watersiders and harbour workers have been eroded, and in many cases completely abolished. This affected the port companies in particular, which had previously employed separate workforces of harbour workers and watersiders. To be sure,

[62] Speech to Shipping, Waterfront and Ports Conference, Auckland, 27/6/91.

the task boundaries that the WWU had previously attempted to maintain had been gradually eroded since 1989. But the ECA, in one fell swoop, did on the conventional wharves what had been done in the container terminals 20 years earlier (albeit on terms favourable to the unions): it integrated the workforce and eliminated work jurisdictions. The Port of Gisborne Ltd, in November 1991, was the first port company to arrive at a fully integrated workforce of watersiders and harbour workers. Along with the Lyttelton Port Company, a number of other port companies were also able to achieve this. Doug Green, the managing director of Port Nelson Ltd, commented in 1991 that:

> The work force [sic] we now have is both flexible and multi-skilled. An employee may be called upon to work as a watersider, a foreman/stevedore, a crew member or even drive a tug. In addition he must do normal maintenance work on the wharves and in the workshops. The other day our electrician worked as a crewman on a vessel and then drove a forklift unloading cargo. The result of this flexibility is that we have virtually eliminated the cost of idle time.[63]

This was not so unusual for the Harbour Workers Union, which encompassed more than 20 occupational groupings (ranging from carpenters to clerical workers), and since the late 1980's had accepted the shift to 'multi-skilling' as a means of protecting workers' jobs. A Lyttelton Harbour Workers Union representative commented:

> our workforce, the harbour workers workforce, is about as multi-skilled and as flexible as probably any in New Zealand. . . . You can have a crane driver driving a forklift in the morning, after smoko he might take the launch out to drop a pilot off, then he'll do the weighbridge in the afternoon, then maybe run the incinerator for the last couple of hours of the day. I mean that flexibility has been there for quite some time. . . . Probably the last two years for that group of workers. But other groups of workers like, say, carpenters and labourers, have always been used in an absolutely huge range of activities, from tradesmen's assistants to all those

[63] Ibid.

> other ancillary things, for many years. Mainly because it gives them access to overtime and money, and it was a handy pool for the employer of course. (Interview)

Another harbour worker remarked that "the multi-skilling has really saved our backsides over the years" (fieldnotes).

However the subsumption of waterside workers into generic port company workforces, with considerable task flexibility, was a major step for the Waterfront Workers Union. Historically it had always attempted to defend its occupational boundaries relative to the harbour workers, right up to 1988 when it won jurisdiction over driving equipment on the wharf (see Chapter 13). An employee of the Lyttelton Port Company, himself a union delegate, expressed the magnitude of the change in the following terms:

> There is no such word, basically, as demarcation, simply because they can get a watersider to drive any plant, but they can also get a harbour worker to go and do lashings on ships, and one thing and another. In other words, a watersider can do any job because you're all getting paid the same money, you're all employed by the same employer, and your job is basically the same, you can do all those functions. (Interview)

Under the collective employment contract that was settled with this particular port company, there was established in the cargo handling area a pool of approximately 40 employees who were allocated, as the need arose, to supplement those in various aspects of the Company's operation. When the contract was first introduced, there were only a limited number of men who had the training to swap between the various positions. Waterside workers did not immediately begin to drive the container crane, nor did harbour workers work in the holds of ships. However, under the provisions of the contract, this was limited only by the extent of training. The Company's cargo services manager commented that: "certainly we're getting more and more cooperation out of, not so much the unions, but the

workforce and the union indirectly. . . . We're getting the cooperation . . . to move people around to get the maximum use out of them" (interview).

Although the port companies did, by and large, integrate their workforces, the WWU still attempted to police task boundaries with the harbour workers in other areas. For example, in 1991 Ports of Wellington Ltd (a port company) secured a contract to unload a barge carrying sawn timber, which was owned by Sea Trader Ltd. The port company had for two months cross-hired watersiders from Container Terminals Ltd to do this work.[64] However, in July of that year, Ports of Wellington elected to use its own employees, who were harbour workers. The local branch of the WWU immediately formed a picket, which was unsuccessful in preventing the work from being carried out, and became subject to legal action by the company.[65] The Union's national officers wanted members of the Wellington branch to walk off the job in protest, but they refused to do so. Given the legal sanctions that employers could bring to bear in this type of case, it became increasingly difficult to police task boundaries.

As well as the erosion of task boundaries, and consequently the all but complete elimination of demarcation disputes, an end was put to practices on the job (such as 'spelling') which had been central to the 'indulgency pattern' prior to 1989. This is significant, insofar as spelling was one of the more salient manifestations of the workplace power of watersiders, albeit supported by high gang strengths and the hiring arrangements under the bureau system, in the post-container period. Its elimination was in no small part due to the substantial reductions in gang sizes which occurred after 1989. But the fact that this practice disappeared altogether is also an indication of the extent to which relationships on the job have changed,

[64] Ports of Wellington Ltd was one of the port companies that did not employ any watersiders at this time, and was only minimally involved in stevedoring work.
[65] *Port of Wellington Ltd v New Zealand Waterfront Workers' Union* [1991] 2 ERNZ.

and that patterns of employer indulgency have been replaced by greater (although not complete) employer prerogative.

One of the effects of these changes is that foremen now have more power on the job. A foreman commented that direct employment made his job of supervising gangs "a lot easier, because you get far more cooperation if you're working with the same people. And of course the spelling has stopped" (interview). But the change in the power of the foreman is not just a result of developing a better rapport with permanently employed watersiders. Whereas under the bureau system, foremen could do little to exert their authority in the workplace, because the indirect employment relationship cut across attempts to impose industrial discipline on the job, with the shift to direct employment foremen are part of a management system which now wields the threat of dismissal. This has, to some extent, allowed the potential of container technology for greater control, which hinges on the amenability of container jobs to direct supervision, to be realized.

Indeed, watersiders work with the fear of redundancy hanging over their heads. One watersider I spoke to said that "the threat of redundancy, the threat that someone else will come along and take your job, plays havoc" (fieldnotes). Watersiders are constantly under the pressure to improve their performances. In the new competitive environment companies are under considerable pressure to turn ships around quickly, and they often use this to justify attempts to further assert managerial prerogative. In 1991 a union official at Lyttelton showed me a fax which had been sent to the Lyttelton Port Company by a shipping company that threatened to divert cargo to the Port of Timaru if ship turnaround times were not improved. This threat, in turn, had been used by the Port Company to justify an attempt to put pressure on its employees, under the threat of redundancy if that particular trade was lost. As New Zealand Stevedoring's General Manager, Bob

Seamer, commented: "they now understand that if we are not making a fair return then they have no future."[66]

An indication of the pressure applied by companies to their employees is that some companies are seeking to go outside the terms of their employment contracts. In the words of one union official, some companies wanted watersiders "to do them favours" (fieldnotes). This was the case in 1991 at the Port of Lyttelton where, after negotiations with the Lyttelton Port Company had been concluded following several months of very protracted negotiations, the Company then applied pressure to watersiders to work overtime. A watersider explained the situation to me in the following manner:

> We have a guaranteed wage, and we have to work in a particular place, my shift is for four days, that's with the Port Company, and a fifth day I have to be available. Now, after that, once I've done my five days, I don't have to be, according to the award, available. And some of our guys who have other lives . . . away from the waterfront, are now having the pressure put on them by people saying they're not playing the game, because they don't want to do a fifth, sixth or a seventh day. . . . They have an agreement with you . . . but as soon as we get it signed up, they start to put the acid on people to do more. . . . And of course to get this award, we've dropped a hell of a lot in wages, we've dropped all penal rates virtually, every day now we get the same amount of pay whether its Monday or Sunday. . . . So we've given away things like meal money, shift allowances, all these things have gone. And of course they've got the award, but now they're wanting these little bits more from people, suggesting that they have to do a little bit more than what the award really says. . . . He [the employer] puts all sorts of pressure on you, and those individuals who haven't got the balls to stand up to him very quickly agree to come to work. (Interview)

Equally, watersiders can no longer stop jobs in the way that they used to. Whereas considerable workplace power was gained by utilizing the strike threat on container jobs, this has now gone. The sanctions that can be brought to bear under

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[66] Speech to Port and Shipping Reform Conference, Auckland, 27/3/92.

the ECA for illegal strikes are significant, and watersiders are conscious of losing their jobs. As a union delegate commented:

> Today, all the power has been taken away from the worker. You know, strike action, now its a 14 days notice thing. So most issues are over. If you had a major issue on the job, and you wanted to take some action, but the boss said 'sorry, but we're not interested', so you put 14 days notice in, by the time that's done the ship's sailed. Its gone, the issue and argument's gone. (Interview)

To be sure, the other side of companies now engaging in 'man-management' is that many have introduced new management techniques. In some cases these have been drawn from contemporary human resources management or from 'total quality management' (or an amalgam of the two). Some companies, like NZS, have introduced a 'consultative' approach as a way of managing workplace change. Each branch of this company has a 'management committee', which comprises representatives of management, foremen and watersiders. The committees are supposed to meet in a 'high trust' environment. A union delegate from the Lyttelton branch of this company provided the following description of how this worked in practice:

> we have a bitch session up there, once every two months. We sit in with the guys and we get all their problems, write them all down, and take them upstairs and sort them out up there. Everyone has the right to have their say, and they do listen. . . . We can actually go and talk to our manager. You know, we've got a meeting with him today, which they asked for, just to fill us in on what's happening. I mean, we do liaise with them, whereas at some ports they do have problems. (Interview)

However, later in the interview, the same delegate qualified this latter remark by saying that: "They're still trying to screw ya, I mean that's the typical boss. You've always got to be on your toes with him. . . . If they can make a quick dollar somewhere they'll take it. If you let 'em away with it, or if they can break a

condition they'll break it. They'll do that if they can get half a chance. So you have to police it, you have to police it a lot actually" (interview).

Other companies, such as the Lyttelton Port Company, have introduced job appraisal systems. One union official said:

> They tried to start it . . . with an all-up round of employee seminars for an hour. No-one actually understood a bloody word they were saying. It was absolutely horrendously bloody handled, and then they tried to implement it in terms of people writing up their own job functions and then evaluating that with their immediate superior. (Interview)

Under these systems, the purported intention is to detail the nature of 'job functions', in order to establish training and skill requirements and forth, as well as to establish goal and performance criteria. But in many cases these are simply seen by union members as another means of management control.[67] In this particular case, the system was 'boycotted' by the Union, on the grounds that "they'll be saying performance-based evaluations will equate to your remuneration, at the end of the day" (interview).

Similarly the consultative 'training seminars' held by some companies, often as part of job appraisal schemes, were viewed with contempt by some watersiders. One watersider, who worked for Pacifica Shipping, said that: "the idea now is that you have training seminars, and all the rest of it, but what good is it to them if you can't get your message through to the other side, and if you've actually got someone there that's not even listening to you. I think its a waste of time. I actually turn off within the seminars and things, unless I see some actual progress being made. And I don't see it" (interview). When watersiders spoke to me about

[67] This view is supported by a body of literature within industrial sociology (for example, see Austrin 1991; Sewell and Wilkinson 1992).

their employers, comments like "bastards", and "trying to screw us", and "shaking hands with one hand while putting the other in your pocket", were not uncommon. These were an important counterbalance to employer rhetoric about effecting 'consultative change', 'worker commitment, and so forth. Often such comments by watersiders were made in reference to their conditions of work on the job.

One watersider lamented the decline of worker control on the job in regard to all-weather work: "A couple of drops of water on a piece of paper and . . . we would have been out. Now we have men working till there's water dripping off their arses. . . . [They] were out in the hail the other day" (interview). Overwhelmingly, however, the condition of work which was seen by watersiders I spoke to as having the most detrimental impact on their lives, was the hours they were expected to work. Bob Seamer himself alluded to the impact on his employees' lives in the following statement which lauded anti-social hours of work:

> Today work on the wharves is a 24 hour a day, seven day a week operation. It is perhaps one of the most anti-social jobs going. The arrival and departure of ships dictate the rules. Our employees can be called in on any shift with little or no advanced [sic] warning. They never really know when they're going to be home . . . . It is the commitment of our employees and their response to the new environment which has so transformed the efficiencies of our waterfront.[68]

In light of the comments above, I would question the extent to which this commitment is freely given. The considerable 'human cost' of the new hours of work ushered in by the ECA was brought home to me in interviews that I conducted with watersiders and union officials. In the main, the detrimental effects they spoke of resulted from irregular shift work. One watersider said: "I worked yesterday afternoon, and the day night before, and now I'm back tonight.

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[68] *The Transportant*, vol. 23, no.3, 1993.

It's tough, not having the continuity. . . . It's hard to arrange your life" (interview). Another (who worked for NZS) said:

> You have three shifts a day. Our first one, we call it our first, starts at 11 o'clock at night till 7 in the morning, then 7 till 3, and the next one's 3 till 11. And on a day, if you haven't done your 8 hours for the day, they can call you in on any one of those shifts. Before you come back they've got to give you an 8 hour break. You can finish at three in the afternoon and bring you back at 11 o'clock that night and work through till 7 in the morning. So that's your bloody 8 hours. Its an 8 hour break, but its not 8 hours sleep. It's the real bad one. (Interview)

As an Auckland union delegate commented, "Our people are expected to work 365 days a year, and 24 hours a day. . . . They haven't got a stable shift. If a ship comes in they want them to work 24 hours a day on it."[69] Another watersider, who worked for Pacifica Shipping, said:

> There's someone working every day in this company, every day, including Sundays. And last Sunday we worked right round the clock right through the night and we worked Monday. . . . We've worked right through from 7:30 in the morning till 2:00 the next morning to turn the ship around. If our ship's running late we carry on till we finish it. Thursdays, if it strikes bad weather and its late coming in, we'll end up working right round [the clock] to clean it out. (Interview)

There is no doubt that these hours of work detrimentally affect watersiders' family lives. A Union Secretary told me that one watersider's wife had called him and asked: "God, the old man's been bitchy recently, what's happening at work?" (fieldnotes).

There are also a number of indications that, not only has the configuration of the working day being changed, work itself has been intensified. This is so, simply by

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[69] As quoted in *New Zealand International Business*, February/March 1992.

virtue of the cuts in gang sizes which mean that watersiders have to work harder for longer, with only the contractually specified rest periods. Often they are beset with fatigue while doing so. Reflecting on this point, one watersider observed:

> The thing that's hurt the industry more than any other is the Employment Contracts Act, where they can turn around now and make us work for 24 hours. They call it forty over seven, which is any forty hours in the seven days. It was take it or leave it. So we find that we're working sometimes from seven to three and then go home and start again at eleven that night and work till seven the next morning. So you're getting eight hours on and eight hours off. Trying to adjust your sleeping habits is just impossible. And you find that about three or four o'clock in the morning and you're looking at a . . . container number and the numbers start to run into one another, and you think of the driver who's driving the crane with a twenty ton container swinging around in the air, and you know he's tired. . . . That's the thing I don't like, that's the most unpleasant thing that's happened to me in my working life. (Interview)

One union secretary said that many of his members were physically exhausted and much of the time were "working on instinct" (fieldnotes).

This is not to argue that there is unbridled managerial prerogative on the job. There is, for example, still the possibility of worker resistance particularly given the crucial position of labour within container operations (see Chapter 12). Workers are still important agents within workflow systems on the waterfront. And there still are instances when watersiders, supported by their Union, resist attempts by managers and foremen to assert their authority on the job. However, with the shift to direct employment, and in the climate created by the ECA, the character of workplace relations most definitely has changed. It is more difficult for watersiders to turn this potential source of workplace power (their continued centrality to the workflow system) into actual control on the job. The extent of this change is registered by the fact that watersiders now rarely walk off a job, task boundaries have been increasingly eroded, and the previously pervasive workplace

practice of spelling has been completely eliminated. For the employers this shift in the balance of power at the level of the workplace, in concert with technological change, has translated into substantial gains in productivity.

(7) Conclusion

The argument that I have made in this chapter is that the level of organization of the WWU at the port level positioned it to resist encroachments by employers seeking to circumvent it by breaking its coverage over watersiders. However, most companies were in any case prepared to tolerate a union presence on the waterfront in the climate created by the ECA, insofar as they have been able to erode through enterprise bargaining wages and conditions and to weaken watersiders' control of workplace practices. Indeed, the modicum of control that the WWU retained over the labour supply is the main element of continuity with the pre-reform period. Similarly, the erosion of control over work practices is the main element of discontinuity. This discontinuity is in part promoted by the re-emergence of small firms as employers on the waterfront. It is to this, the return of small firms and casualism, that I now turn.

CHAPTER 15 : THE RE-EMERGENCE OF THE SMALL FIRM

(1) Introduction

In this penultimate chapter I will deal with the return of casualism and the challenge to the Waterfront Workers Union's control of the labour supply which occurred in 1992 and beyond. This challenge was predominantly effected by small 'new entrant' firms. Small 'carpetbagger' stevedoring companies have re-emerged which use either workers who do not belong to the WWU, or non-union casual labour alone. These pose the greatest threat to the Union's control of the labour supply. The contrast with the pre-reform period is stark regarding the positioning of the Union in relation to small firms. I will identify this contrast in the next section.

(2) Small Firms As Opportunity and As Threat

In Chapter 8, I argued that the occupational registration system, which was a crucial institutional support of the watersiders' local unions, also had the unintended consequence of securing the existence of small firms. These effects of the way that the labour market was organized intersected when a number of the unions became involved in establishing small stevedoring companies in the 1970s. In this sense, the existence of small firms within the context of the state-regulated labour market supplied a significant opportunity for the unions (to set themselves up in business, that is). At least indirectly, then, the unions materially benefitted from the existence of small firms.

I also noted that after the bureau system was abolished, and their supporting labour market conditions were eliminated, small stevedoring firms (including most of those that unions were involved in) disappeared almost overnight from New

Zealand's waterfront.[1] Without a guaranteed supply of labour from the bureau, which they could retain on a job-to-job basis, small firms could not survive. This is because they could not afford to permanently hire watersiders.

However a new type of small firm has re-emerged in the deregulated labour market, in the wake of the Employment Contracts Act, as the potential to circumvent the Union by using 'blackleg' labour and (non-union) casuals increased. Unlike the small firms of the pre-reform days, these new firms are avowedly anti-union and in the deregulated labour market they have emerged as the principal threat to the Union (both to its retention of coverage of the workforce, as well as to wages and conditions). The Union does not support the type of small firm that has emerged, nor would these firms be likely to support the re-regulation of labour market to restore the conditions which supported their predecessors. These small firms are the product of a deregulated labour market.

In the immediate post-reform period, a handful of small firms were established and their employees did join the WWU. However these companies were established before the ECA was passed in 1991, and because of the provisions of the award (which was negotiated under the Labour Relations Act 1987) their employees were *required* to join the Union. For example, a new entrant stevedoring firm called Pacific Stevedoring (which was owned by Sofrana-Unilines and Patricks, an Australian stevedoring company) was established at Auckland in 1990.[2] Although it hired 25 watersiders "straight off the street" (in the words of a WWU national officer), its employees remained in the Union after

[1] There are only two 'hybrid' companies still in existence. The first is New Zealand Stevedoring and Marshalling at Tauranga, which is jointly owned by the local branch of the Union and the New Zealand Lumber Company. Because of its secure contracts this company was able to survive in the post-reform climate (see Chapter 8). The other company is Auckland Stevedoring, which is jointly owned by the Auckland branch of the Union and Leonard and Dingley. It experienced considerable financial difficulties after the bureau system was abolished, and was only able to continue operating after being restructured.

[2] *New Zealand International Business*, February/March 1992.

the ECA was passed in 1991. It appears that this company was formed largely so that its owners could get a foothold in stevedoring in this country. Although the company initially won some contracts from Leonard and Dingley (a well-established stevedoring company at the port), it subsequently collapsed at the beginning of 1992.

Similarly, a small new entrant stevedoring firm called Omniport was established at Napier in 1990. Like Pacific Stevedoring it too hired 23 men 'off the street', who joined the Union because they were required to do so by the prevailing award. I mentioned this firm in the discussion of casual labour in the preceding chapter, noting that although its employees remained in the Union following the introduction of the ECA, they were party to a substandard employment contract which allowed casuals into skilled positions. However I also noted that, after this, the relationship between the Union and the watersiders employed by Pacific Stevedoring strengthened.

Both of these new entrant firms were established during the term of the Labour Relations Act, and consequently their employees were required to join the Union. Furthermore, this union coverage was retained after the ECA was passed. However, the more extreme case is that of small firms established under the ECA. These firms have attempted, under the provisions of the Act, to circumvent the WWU by using workers who belong to other unions, or by exclusively using non-union casual workers. The first to attempt by a new entrant firm to break the WWU's coverage, by hiring workers who belonged to a different union, occurred at Auckland in mid-1992.

A company called Aotearoa Stevedoring was established there by Captain Jim Douglas (who was previously a manager with NZS at Auckland, and who had 40 years experience on the waterfront), in partnership with a group of 15 Maori

'worker-shareholders'. These workers refused point blank to join the local branch of the WWU, instead joining a Maori union (Te Roopu O Nga Kaimahi Maori) that the former clerical workers trade union official and Maori activist, Syd Jackson, was associated with.[3] I called Jim Douglas shortly after Aotearoa Stevedoring was formed but he refused to discuss any aspect of the company's operation with me. However it appears that Douglas intended to secure stevedoring contracts by undercutting the labour costs of the other companies at the port. When this objection was raised by Auckland union officials, Douglas is reported to have said: "I'm not interested in their pay rates, quite frankly. We are here to run a business efficiently and pay a dividend for our shareholders."[4]

The WWU, and particularly its Auckland branch, were vehement in their opposition to this company because of its potential to undermine the wages and conditions of its members. After some months the company eventually secured a contract to unload a conventional vessel (the 'Socofl Wind') in September 1992. However the local branch of the Union, in concert with the New Zealand Seafarers Union and its Australian counterpart, erected a picket in an attempt to prevent the ship from being unloaded. Although the police subsequently removed the picketers, and the vessel was worked, all watersiders at the port later stopped work in protest. Indeed, Australian seafarers on the *Iron Dampier* refused to sail while the company was working.

Furthermore the company's equipment was damaged by persons unknown. Jim Douglas also claimed that its container spreader had been thrown into sea.[5] Although the company blamed the Union, there was no evidence to suggest that its members were involved. The upshot of these developments was that the company was unable to secure further contracts. Undoubtedly the strength of the resistance

[3] See Roth (1993:199).
[4] As quoted in Roth (ibid).
[5] *Christchurch Press*, 1/10/92.

(in the form of the organized picket and strike) by the waterfront unions to Aotearoa Stevedoring played a part in 'warning off' other shipping companies from entering into contracts with this company. Aotearoa Stevedoring folded in June 1993.

The fact that the only company that deliberately and systematically attempted to break the WWU's coverage promptly collapsed speaks to the degree of control that the Union managed to retain over the labour supply following the passage of the ECA. However, the Union continued to be challenged in this area. As we shall see in the next section, one of the strongest challenges came from other small stevedoring companies that emerged after the collapse of Aotearoa Stevedoring.

(3) Developments to 1993 and Beyond

In this section I will provide a brief discussion of the most significant developments which occurred on the waterfront in 1993. Although the historical narrative in this study formally ends at 1993, I believe that *inter alia* it is appropriate to 'update' the section above, on the challenge by small firms to the Union's control of the labour supply, with examples from 1994/5.

It is extremely difficult to get copies of the employment contracts which were settled in 1992/3 bargaining round. Nonetheless a survey conducted by the WWU of its members in February 1994 provides some useful aggregate data in this area.[6] According to this survey, 55% of the WWU's members have experienced pay reductions since the ECA was introduced, with 29% reporting no change, and 15% having had their pay increased (although the majority of these latter members worked longer hours to get these increases). Similarly, 73% of members reported

[6] This postal survey was conducted in February 1994. The WWU's 1422 members were sent copies of the questionnaire, and 588 responses (41%) were received. I was furnished with a copy of the results of the survey (including analysis) by the national office of the Union.

working shifts under either a '5 over 7' or a '40 over 7' agreement. In terms of contractual arrangements, the vast majority (84%) were working under collective employment contracts (either company or site). Overall, however, the number of watersiders declined (largely as a result of redundancies and company closures). From 1773 watersiders who were directly employed by companies in the few months after the Waterfront Industry Commission was abolished in 1989, the number dropped to approximately 1422 in late 1993.[7]

Thus, in terms of the effects of the ECA, the picture that emerges is one of pay reductions, significant changes to working times, and a further raft of redundancies. Significantly, however, while the ECA has decentralized industrial relations by introducing pervasive enterprise bargaining, it has not resulted in the 'decollectivization' of industrial relations on the waterfront. Nor has the WWU been dislodged from the waterfront, as demonstrated by the predominance of *collective* employment contracts where the Union acted as the bargaining agent. The Union's success in keeping coverage of waterfront workers, including casual workers, is particularly significant. Until 1992, the only new entrant firm that attempted to use exclusively non-WWU labour ultimately was unable to use the workforce that it had assembled.

However the Union's control over the labour supply began to be challenged in a number of areas in 1993. In some cases, this challenge was by established employers. For example, the Wellington branch of the Union (which traditionally had a considerable degree of control over casuals) lost out in the container terminal after it was purchased from Container Terminals Ltd by the Wellington Port Company. An anecdotal example from a local union official speaks to this loss of control:

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[7] This latter figure includes 150 harbour workers who amalgamated with the Auckland branch of the WWU in September 1992 (see Roth 1993:200).

> There's a bloke who was in our union years ago, who was an absolute bloody thief, he was also trading in drugs, so we got rid of him. The Port Company has actually re-employed this joker as a casual. Now I said to the Port Company this joker is not a suitable person even for you to employ as a casual. But they just continued to employ him. (Interview)

The most fundamental challenge, however, came from other new entrant small firms which, like Aotearoa Stevedoring, attempted to break the Union's coverage.

As I noted above, there was no move amongst the larger companies to effect a complete recasualization of the workforce. However, in the post-reform environment, small new entrant companies have emerged that employ (non-union) casual labour alone. These companies often contract for work at ports other than where they are based, and consequently have been nicknamed 'suitcase stevedores' by union officials. Like the small firms which existed under the bureau system, these companies survive on the remaining conventional stevedoring work (like apples and logs). Because of this, these companies require little investment in fixed capital. A union official commented, regarding this type of company, that "You don't need much to form them. No investment in heavy equipment or anything" (interview). To date, two such companies operate on the waterfront, and each has been involved in a major dispute with the Union.

The first of these companies is Quay Stevedoring Services, which is based at Nelson. The company was formed in 1994, and employs a completely casual workforce comprising workers who do not belong to the WWU. In effect, some of these workers are semi-permanent casuals (a core of skilled workers who work as deckmen and winchmen). Because Quay Stevedoring employs only casuals it has very few of the overheads carried by companies that employ permanent workers (such as contributions to superannuation schemes, accident compensation

levies and so forth). This particular company operates primarily on the basis of loading apples at Nelson for the Apple and Pear Marketing Board.[8] A certain proportion of apples are handled in boxes as break-bulk cargo; of those that are palletized, some vessels have pallet lifters, and consequently the company only has to hire a few light forklifts to move the pallets with.

Quay Stevedoring was established without a great deal of difficulty at Nelson where, because of the high proportion of casuals, and the seasonal nature of the trade, the Union did not have as much of control of casuals as at other ports. However, a significant dispute did occur in mid-1995 when the company sought to 'venture out' of its home port to Lyttelton, where most of the casuals in the port are 'associate members' of the Union (the exception being those at Independent Fisheries). Quay Stevedoring secured a contract to load apples at Lyttelton, and in June 1995 transported 20 of its 'permanent casuals' (none of whom belonged to the WWU) to Lyttelton to operate winches, and proceeded to recruited a further 20 non-union casuals from Independent Fisheries to do (in the words of a watersider) 'the donkey work'.

The Lyttelton branch of the Union immediately erected a picket line, supported by members from other South Island ports. A stopwork meeting was also held, and the only reason that a strike did not occur was that both the Union and its members could potentially have faced heavy penalties under the ECA. The police maintained a presence on the waterfront while work was proceeding, as well as escorting the casuals to and from the ship.[9] Several picketers were arrested when they attempted to prevent casuals from driving their cars through the picket line.[10] As a result of the picket, which at various times numbered in excess of 100, the

[8] Quay Stevedoring does approximately 35% of the port's apple loading, and the Nelson Port Company does the remaining 65%.
[9] *Christchurch Press*, 23/6/95.
[10] *Christchurch Press*, 20/6/95.

loading of the ship was delayed by at least a full day. Indeed it was only completed after the picket had to be disbanded when the Lyttelton Port Company served the picketers with trespass notices. In response to a question in Parliament, the Minister of Police disclosed that the operation took 2145 hours of police time at a cost of $41,000.[11]

The other 'suitcase stevedore', the International Stevedoring Organization (ISO), was established by Les Dickson at the Port of Tauranga after Associated Stevedores (the company he founded and managed) was taken over by BHP in 1994. Despite its grandiose title, ISO predominantly works for ITT Rainier at Tauranga loading logs. Like Quay Stevedoring, it employs a group of non-union 'permanent casuals' who have a guarantee of a few hours work each week. This company poses a particular problem as it has employed a number of redundant watersiders, as a source of labour which already has skills and experience of waterfront work. None of these watersiders re-joined the Union, and they were described to me by a branch official at Lyttelton as having "no loyalty to the union" (fieldnotes). The permanent casuals include a man who had been a member of the Waterside Workers Federation executive in the mid-1980s. In a photograph of the executive members, which hangs in one of the branch offices that I visited in 1995, this individual is circled in red and labelled as 'a scab'.

As well as working at Tauranga, ISO secured contracts at Gisborne and Wellington in 1995. Like Quay Stevedoring, Dickson brought with him to these ports a 'core' group of his skilled 'permanent casuals' as well as hiring some non-union casuals locally. A Wellington union official said:

> He brought casuals from Tauranga here to man that ship. He manned the operation aboard ship with people from Tauranga. He actually hired local people to do the wharf work, which is generally unskilled work. (Interview)

[11] Ibid.

At each port members of the local branch of the WWU staged a picket, although each time the casual workers crossed the picket line and the work was carried out. As at Lyttelton, watersiders were hampered in their attempts to prevent the casuals from working by the threat of legal action.

(4) Conclusion

I noted in the previous section that small firms have existed on the waterfront in two fundamentally different types of labour markets: one state-regulated, the other deregulated by the Employment Contracts Act. However, as the preceding cases illustrate, the Union is positioned differently in relation to small firms in each context. In the former setting, small firms provided an opportunity for the Union, but in the latter setting they are one of the greatest threats to the Union's control of the labour supply. Under the ECA the Union lost ground in attempting to maintain wages and conditions, and its members' control on the job has been eroded. However, the vehemence of the opposition of the Union and its members to small firms, such as Quay Stevedoring, demonstrates that much more could have been lost. The main reason why the Union is seeking to restrict the supply of labour to union members is that wages and conditions, and control of work practices, could be eroded even further if new entrant firms using non-union labour are allowed onto the waterfront. While Aotearoa Stevedoring went out of business, the WWU has not as yet been as successful in repelling the (albeit limited) encroachments by the latest crop of small 'union busting' firms.

CHAPTER 16 : CONCLUSION

The shoe was on our foot until 1989, and now it isn't. But I believe it will come back again.

WWU Branch Secretary.

My goal in this thesis has been to examine patterns of power relations between waterside workers and their employers during the years 1953 to 1993. I stressed that these relationships were not merely 'given', but rather constituted by the framework of legal regulation which established the bureau system of labour administration. As a result, the power relations between the key actors on each side were in no sense predetermined, but rather were contingent outcomes shaped by the power resources that the actors were able to secure control of within this system. These relationships were played out within three separate (although overlapping) spheres: employment relations, industrial relations and work relations.

Chapter 4 demonstrated that the labour market (or the province of 'employment relations', as I termed it) was organized through an occupational registration system which established exclusive registers at the port level. This system granted watersiders 'preference' in performing waterside work, and their unions were given formal joint control over the number of registered workers and *ipso facto* the number of union members. Within this 'closed' labour market the port unions, in accordance with the interests of the rank and file, had no reason to attempt to increase the sheer size of their membership. Instead they sought to equilibrate numbers of members with the supply of work opportunity. This strategy was facilitated by formal joint control by employers and unions over register limitations. It was this resource that gave the unions the ability to restrict the size of the labour supply. Further, given this degree of union control, casual labour was an important variable within the labour market in that it provided an

important source of 'flexibility', not just to the employers, but also to the port unions and their members.

If exclusive registers allowed the port unions to limit the size of the labour supply, 'internally' the labour market was organized horizontally, rather than vertically, around the principle of work equalization and averaging. Together with informal joint control over recruitment, which developed in the late 1950s, this arrangement enabled the port unions to consolidate their organizational capacity in the aftermath of the 1951 dispute. Despite the fact that the port unions had been created as a strike-breaking tactic by the Government during this dispute, the registration system created an environment in which unionism thrived, and provided a crucial source of union strength which impacted on patterns of industrial relations and work relations during the break-bulk period.

The analysis of industrial relations in Chapter 5 showed how this increasing union strength was constituted in and through bargaining outcomes during this period. In turn, these bargaining outcomes were always played out through a tension between the national and the local, between centralized and decentralized forms of organization and modes of action. The subordination of these tensions was largely dependent on the organizational capacities of the summit organizations on each side. For the majority of this period, the port unions were united through their respective regional federations, until forming a national federation in 1967. These organizations made significant gains in wages and conditions, via a mix of local and national bargaining and through the judicious use of industrial action. From the late 1950s 'strike threats' were constantly in the background to national negotiations, and this constituted an important source of union bargaining power.

At the level of work relations, in the break-bulk period, the inherent problems of control associated with the performance of work by gangs was actually

exacerbated by the bureau system of labour administration. This unintended consequence of the labour market arrangements at the level of employment relations hinged on the fact that individual employers had no control over hiring and firing. A distinctive pattern of work relations, which centered on the wage-effort bargain, emerged as a result. Although the indirect employment relationship was a crucial source of watersiders' workplace power, the employers' attempted 'solution' to this problem of control generated a new set of tensions.

To compensate for the indirect employment relationship, the employers sought to introduce differences in reward, via monetary incentives, into the employment relationship. This move resulted in a tension between the wage form and the organization of the labour market. Incentive bonus schemes conflicted with the union-sponsored system of equalizing the distribution of work and the attendant horizontal (rather than hierarchical) organization of the labour market. This tension also had the potential to lead to the "diffusion of hierarchical pressure [between employers and workers] into antagonisms and competition among the workers" (Burawoy 1979:167). However, the port unions were able to resolve these tensions by securing the agreement of their members to collectively pool all bonus payments. To the extent that monetary incentives, which targeted the 'wage' side of the wage-effort bargain, were only of limited success in securing consistent levels of effort, this problem manifested itself in the relationship between foremen and gangs. Rather than attempting to directly supervise watersiders, and thus to control their behaviour, foremen (with the implicit, and sometimes explicit, consent of managers) instead tolerated informal practices which increased watersiders' degree of autonomy on the job.

Overall, the chapters in Section 2 of the thesis indicate that union strength increased during the 1950s and 1960s. This strength, in turn, involved control of the labour supply, significant gains in wages and conditions, and a considerable

degree of worker control on the job. Technological change in the form of containerization had the potential to disrupt this, more or less stable, pattern of power relations which crystallized in the break-bulk period. However I have argued that such a disruption did not occur while the bureau system of labour administration was in existence.

Contrary to what sociologists who work within the labour process tradition claim, unions and workers are not automatically disempowered by containerization, and employer control over labour markets and work does not unambiguously (re)assert itself following this process of technological change. Rather, the outcomes of this process are dependent on the strategies of the key actors, the institutional framework they operate within, the power resources they have at their disposal, and the way that these can be mobilized to deal with the challenges posed by containerization. The chapters in the third and fourth sections of the thesis demonstrate that the period after containerization was characterized by a dynamic of employer disunity (and weakness) and union cohesiveness and strength.

Container technology had the potential to erode the control that waterfront unions exerted over occupational boundaries and work coverage, by making it possible for employers to create new sites of work. However in New Zealand, because of the framework of legal regulation, the new sites that were created at the port level were subject to the bureau system of labour administration, and the existing framework of union rights and jurisdictions. Although the port unions lost control of aspects of off-wharf container work, the majority of container work was performed within container terminals that were created within already existing ports. These terminals were established as much on the port unions' terms as on those of the employers. The separate industrial agreement that the container terminals were subject to, as 'legal fictions', was very much the 'jewel in the crown' of waterside workers' terms and conditions of employment.

The bureau system of labour administration not only empowered the port unions, it also had a significant impact on the types of firms that were involved in stevedoring. Chapter 8 demonstrated that the other major unintended consequence of this system was that it secured the existence of small firms. Contra the orthodox view in the sociological literature, in relation to the organization of the labour market, firm size was revealed to be a *dependent* variable. In the case of small firms, at least, firm size was dependent on the occupational registration system that the labour market was organized around. These unintended consequences of the way that the labour market was organized, the strengthening of the port unions and securing the existence of small firms, intersected when a number of the unions became involved in establishing small new entrant stevedoring companies.

The emergence of these small 'hybrid' firms in the 1970s was part of a series of changes in company type that occurred after containerization. The other significant finding to emerge from the analysis is that, rather than containerization leading to pervasive vertical integration (as it did in other countries), this process occurred only unevenly and was accompanied by a process of 'vertical disintegration'. Instead of vertically integrated shipping companies dominating the market, a number of new types of firms and organizations became involved in stevedoring.

As a result of these developments in company type and structure, which I outlined in Chapter 8, the employers became increasingly fragmented and disorganized through a proliferation of new types of actors and interests on their side. Rather than containerization increasing the ability of employers to control workers, it resulted in the employers as a 'bloc' becoming increasingly fragmented. The unions exploited the resulting divisions in a manner that consolidated their own

power. The period after containerization was characterized by increasing unity on the part of the unions, and increasing employer disunity. The chapters in Section 4 demonstrate that these differing organizational capacities were reflected in outcomes within the spheres of employment relations, industrial relations and work relations.

Chapter 10 explored how the strategies of the key actors regarding the labour supply changed in response to containerization. Significantly, these strategies changed in relation to register strengths. Whereas, in the break-bulk period, the employers had attempted to increase the size of registers, often in the face of opposition from the port unions, after containerization they attempted to decrease the size of register strengths in line with the increasing capital-intensity of waterfront work. Conversely, the port unions were empowered by the introduction of a 'permanent' 40 hour working week to seek increases in register strengths.

The attitude of the port unions to casual labour was an important part of this shift in strategy. Previously the port unions and their members had tolerated casual labour, as a supplement to the registered workforce, insofar as it allowed the port unions to restrict the size of registers, and was a source of flexibility in work patterns to watersiders. However, after containerization caused the employers to exert downward pressure on register strengths, the unions sought to restrict the use of casual labour. This move was accomplished through the creation of subsidiary registers which placed restrictions on the number of casual workers who could be employed. At ports during the 1970s there was, not one register, but two. Joint control of register limitations was a crucial power resource which allowed the port unions to manage downward pressures placed by employers on bureau registers, while simultaneously squeezing casual workers out of the labour market.

One of the costs of these restrictions on casuals was a considerable number of redundancies, with the number of registered watersiders decreasing by almost half during the years from 1970 until 1987, to a total of 3697. However all of these redundancies were voluntary, wherein individual watersiders elected to leave the industry. Moreover in 1980 the Waterside Workers Federation pushed for, and achieved, the complete elimination of casual labour. Coupled with a system of interport transfer of labour, the port unions in this period exerted increasingly tighter control over an (albeit diminishing) labour supply. In effect, this strategy led to the emergence of a *national* labour market (as opposed to the local labour markets that existed in the break-bulk period) which was tightly sealed.

In the discussion of industrial relations, in Chapter 5, I made the point that, while bargaining at the national level was important, one of the keys to success for the summit organizations both of the employers and the unions within the sphere of industrial relations was to gain leverage over bargaining at the local level. The Waterside Workers Federation's ability to do so was challenged severely when the Auckland Union broke ranks by refusing to ratify a national agreement in 1970. This case amply demonstrates the fragility of national bargaining. However, the Federation quickly overcame this division, whereas for the employers a more persistent source of disunity developed after containerization, which stemmed from the proliferation of new types of organizations that were involved in stevedoring. The resulting fragmentation of actors on the employers' side was to be a persistent source of weakness in bargaining throughout the 1970s and a good portion of the 1980s.

The port unions, and their Federation, used decentralized bargaining at the company level, parallel to national bargaining, to achieve a considerable "bargaining power advantage" (Katz 1993:13). Thus the dynamic of union strength and employer weakness, wherein the threat of strike action by the unions

was central, was consolidated and extended by means of decentralized bargaining which further fragmented and weakened the employers as a 'bloc'. Even the formation of a new overarching national organization on the employers side (NZAWE) did not result in a fully 'externalized' mode of bargaining being accomplished, insofar as the new organization could not force individual employers to delegate their authority in bargaining to it.

The degree of influence of the port unions within the realms of employment relations and industrial relations had its concomitant in the power of watersiders on the job. Although container technology had the potential to allow employers to (re)assert their authority in the workplace, the discussion of work relations in Chapter 12 revealed that, under the bureau system of labour administration, this potential was not realized. Rather than containerization removing all elements of indeterminacy from the wage-effort bargain, by ushering in a rationalized system of 'technical control', there were continuities between the pattern of work relations which existed on break-bulk jobs and the pattern on container jobs. It was a pattern in which watersiders continued to exert considerable control over the labour process.

A dynamic of union strength and employer weakness therefore existed on the waterfront in the 1970s and for much of the 1980s. Indeed the strength of the port unions and their Federation was such that the approach of successive Governments during the 1970s was one of 'containment'. This approach involved attempting to prevent watersiders' wages and conditions from moving beyond the wharves, and avoiding at all costs provoking a major confrontation with the Waterside Workers Federation. In this sense the bureau system of labour administration 'escaped' from the control both of the Government and the employers. Indeed the 'registered' interests within it 'fed' off each other. The organization of the main 'interests', through legally constituted registration systems, was mutually

reinforcing to the point where the employers sought to *strengthen* the framework of legal regulation. Significantly, NZAWE (unsuccessfully) lobbied the Government to alter the Waterfront Industry Act 1976 in order to remove the ability of individual firms to make industrial agreements, independent of the employers' association, with the unions and the Federation.

It was because of this 'loss of control' of the bureau system, and precisely because of its success from the point of view of the port unions, that the fourth Labour Government sought to abolish it. The pattern of union strength and employer weakness was only eroded as the institutional and legislative supports of the unions, which centered on the occupational registration system and the union registration system, were systematically dismantled by state reformers in the late 1980s. By abolishing the Waterfront Industry Tribunal in 1987, the Labour Government began to pull at the threads of the bureau system of labour administration in a manner which eventually unwound the whole tapestry of the regulatory framework.

The Labour Relations Act 1987 resulted in a shift in the relative balance of centralized and decentralized bargaining which had hitherto obtained. Previously the port unions and their Federation used decentralized bargaining parallel to national bargaining to fragment the employers. NZAWE, on the other hand, sought to strengthen the national agreement in an attempt to achieve unity amongst the employers. However, in the climate created by the new Act, the employers sought to abolish the national agreement. This move produced a different combination of centralized and decentralized bargaining than existed before.

The shift in patterns of bargaining which resulted from the abolition of the specialized framework that regulated industrial relations on the waterfront was consolidated when the Labour Government eliminated the bureau system of labour

administration, and with it the occupational registration system, on September 30 1989. Since that time the country's remaining watersiders have been directly employed by the companies that are involved in stevedoring. The consequences for the unions of abolishing the bureau system, which had constituted their institutional 'power base', were dramatic. First and foremost, the number of watersiders declined by more than half, from 3156 in 1989 to just 1773 in 1990. Secondly, the shift to direct employment, coupled with the elimination of the union registration system in 1991 and the attendant transition to enterprise bargaining, gave employers the opportunity to attack the control that the Waterfront Workers Union and its members exerted on the waterfront.

Chapter 14 teased out the effects of deregulation on the union's degree of influence within the labour market, its bargaining power, and its members' control of work practices. Significantly, I argued that the post-reform period has not been characterized by an unmitigated (re)assertion of managerial prerogative, or the waning of union influence. Instead the success of the bureau system, from the union's point of view, placed limits upon what employers could achieve after deregulation. The previous institutional configuration of 'registered interests', in which the union accumulated considerable power, thus impacted on power relations in the post-reform period. The main element of continuity with the pre-reform period is that the union continues to exert some degree of control over the labour supply at the port level, most importantly in relation to the size and composition of the casual workforce. Conversely, the main element of discontinuity relative to the pre-reform period is that employers have eroded watersiders' control over work practices. Overall, it is the uncoupling of the link between union control over the labour supply and worker control of the labour process that has been the main outcome of waterfront reform.

The Waterfront Workers Union is currently being challenged by a new type of small firm which has emerged in the labour market climate created by the Employment Contracts Act 1991. Whereas the existence of small firms within the regulated labour market was a potential source of opportunity to the port unions (by allowing them to get established in business), the small firms that have emerged in the deregulated labour market exclusively use non-union (predominantly casual) labour. Consequently, these firms pose the greatest threat to the union's remaining control of the labour supply. The union's future on the waterfront, and the future of its members, depends in large part on the degree of success they have in repelling the anti-union tactics of this new set of small firms.

METHODOLOGICAL APPENDIX : THE PLACE OF FIELDWORK IN HISTORICAL SOCIOLOGY

(1) Introduction

In this appendix I will explain how I conducted the research that the thesis is based upon. Insofar as I dealt with issues of 'form and context' (specifically the categories and analytic framework I employed) in the introduction to the thesis, I will restrict this discussion to situating the important role of fieldwork in the research process.

To gather the empirical material which formed the basis of the thesis I used three methods: interviews, non-participant observation, and documentary research. Before outlining how and when I used these methods, I will provide a brief explanation of the background to the thesis.

(2) The Background to the Study

In the introduction I made the point that my interest in studying the waterfront was sparked by developments in 1989 after the Waterfront Industry Commission was abolished. I set out with the intention of conducting a study of industrial relations and work in the post-reform period. I began by keeping a file of newspaper clippings (which I still maintain). Then, late in 1990, I began to carry out some preliminary fieldwork at the Port of Lyttelton (the port closest to Christchurch, where I live). This was essentially a 'scoping' exercise. It involved seeing 'what was happening' at the port, as well as initial attempts to negotiate access to one of the companies there and to the local branch of the Waterfront Workers Union.

I visited the Lyttelton Port Company on two occasions early in 1991. I decided to seek access to the port from this company because, as the successor to the local harbour board, it had overall control of the port's facilities. I assumed (as it turned out, wrongly) that I would have to secure the consent of this company before I could even go onto the waterfront. Also, I was interested in the port company itself, as a new type of organization on the waterfront.

I framed the request for access in terms of wanting to do research within the Lyttelton Port Company. My initial point of contact was with the company's public relations manager. I was given a copy of the company newsletter, the overall layout of the port was described to me, and I was given the impression that I would at least be able to conduct interviews with some of the company's staff. Indeed, I was able to arrange interviews with three senior managers. However, when it became apparent that I was interested in talking to some of the company's employees at a lower level, further access was denied. I was required to supply a detailed written research proposal to the company's management team, which was promptly rejected. I took it to be significant that this occurred at the same time as the company was engaged in a dispute with the union.

At the same time as I was being rebuffed by the Lyttelton Port Company, a call to the local branch of the Waterfront Workers Union resulted in an appointment to see the union secretary, and subsequently an agreement to allow me to carry out interviews with union officials and members. It became rapidly apparent that I did not need the formal permission of the port company to enter the waterfront, as watersiders who I interviewed began to take me into their workplaces (which ranged from the holds of ships to the 'cockpits' of ship's gantry cranes). This initial informal access to the waterfront was very important (as I note below), even though while carrying out this fieldwork I changed the emphasis of the study to that of an historical sociology.

Two developments resulted in this shift in the study's emphasis. As I began to read the available literature about industrial relations and work on the waterfront in New Zealand, I realized that very little had been written about the post-1951 period. At the same time, a vast quantity of archival material became available (see below). Despite this shift in emphasis, I continued to conduct fieldwork and interviews, which was to prove valuable in 'orientating' the documentary research that I subsequently engaged in. I will now describe each of the research methods that I used.

(3) Fieldwork

My reading of some classic sociological studies of work and occupations, which used ethnographic methods, formed the general background to my approach to the fieldwork. As a graduate student (and tutor) I had read selections of the work of Everett Hughes and that of some of his students (such as Howard Becker). Hughes had brought the anthropological tradition of fieldwork into sociology through the Chicago School (see Colomy and Brown 1995), and emphasized the importance of studying social activity 'in its natural setting'. I had also read the classic articles by Donald Roy (the author of one of the most well-known accounts of work to emerge from the Chicago tradition), and the studies by Alvin Gouldner, and William Whyte.

Early in the research, I read three excellent accounts of waterfront work which had employed ethnographic methods (Finlay 1988; Kimeldorf 1988; DiFazio 1984). The study by DiFazio is particularly worthy of mention, for I was struck by the problems that he encountered in gaining access to the International Longshoremen's Association (the waterfront workers' union on America's East Coast). He noted that:

> When I began doing the ethnographic research . . . many of the men were suspicious of my presence in the hiring hall. Two of them threatened my life the first day, thinking that I was a cop (DiFazio 1984:50).

Although I did not expect to be threatened with death, I did find DiFazio's account slightly unsettling. Coupled with my own experience of being rebuffed by the Lyttelton Port Company, his account further alerted me to the perils of gaining access to do fieldwork at sites where power relations are omnipresent. Although I had a sense of trepidation in doing the initial fieldwork, as I noted above, access was readily granted by the union.

The fieldwork I did at the Port of Lyttelton in 1992 involved observing the work of loading and unloading ships, talking with watersiders and union officials about their work, and attending protests organized by the local union branch against the actions of companies within the port. Despite not being granted access by the Lyttelton Port Company, I could move freely around the port with union officials. Some afternoons, after a stint of interviewing in Lyttelton township, I would go down to the port for a couple of hours and just watch work being carried out. (This has become increasingly difficult since the Lyttelton Port Company has restricted public access to the port, ostensibly for reasons of safety.) In each case I kept fieldnotes, which I wrote up each day after conducting fieldwork.

I was granted an even greater degree of access to the union after I began to conduct research for its members. This happened in a rather fortuitous manner. During an interview with two union delegates in mid-1992 I mentioned that I was doing some research through the offices of the Registrar of Companies on historical patterns of ownership and control of stevedoring companies. I quote from my fieldnotes on their response: "This obviously struck a chord with the

men, and before I knew it they were asking me about the type of information I could get about shareholdings in Canterbury Stevedoring Services [their employer]". I offered to prepare a brief dossier on the origins and ownership of New Zealand Stevedoring (the 'parent' of this latter company), and the offer was readily accepted. After I had completed the file I gave it to the local union secretary who passed it on to the delegates in question. I know that other watersiders looked at this file, because one day as I was climbing into the cab of a shipboard crane to watch some containers being unloaded, the crane driver said: "that company information was interesting" (fieldnotes).

Towards the end of a protest to mark the formal opening of Independent Fisheries, in July 1992, a local union official singled me out and asked if I could do an ownership search on this and another allied company. I made an entry in my fieldnotes at the time to the effect that I experienced a rather pleasing feeling of not just doing research 'on the union' but also 'for the union'. There was a *quid pro quo* involved here. Because I did research for the union, I was allowed greater access to the organization. At one stage, in late 1992, I visited the Lyttelton union office two to three times each week, and was allowed to peruse old union files and records. I worked in the executive meeting room, and I frequently had conversations with watersiders and delegates who entered the office;

The key to this fieldwork part of the research, then, was the reciprocal relationship that I established with these workers, who held positions within the union. This fieldwork was only used in three chapters (12, 14, and 15), but it was nonetheless very useful in orientating the interviews that I conducted. In a journal I kept, which documented the research process, I noted at one point that: "my interest in small firms was stimulated by learning that the [Lyttelton] Union had part-owned a stevedoring company, Lyttelton Stevedoring." This initial fieldwork was also important in allowing me to identify potential interviewees.

(4) Interviews

Many of the contacts for interviews, particularly for watersiders (both current and retired) and former union officials, were made through the fieldwork at Lyttelton. However, some of the people I interviewed were located through personal acquaintances. This was the case with foremen-stevedores: a friend's father was a foreman-stevedore, who put me in contact not only with other foremen-stevedores, but also the former secretary of the Lyttelton branch of the Foreman-Stevedores Union. Also, through a mutual acquaintance, I made a contact with a manager of a shipping company who gave me the names of former stevedoring company managers. The manager in question had formerly been the company secretary of the Lyttelton Stevedoring Company, and it was through him that I gained access to this company's minute book.

In total, I carried out 34 interviews with union officials, watersiders, foremen-stevedores, stevedoring company managers, employers' representatives, and former Waterfront Industry Commission staff. The bulk of the interviews were conducted at Lyttelton and Christchurch. However, I also carried out some interviews at Wellington (on two of my several trips there to do archival research). The interviews varied in length, but generally they lasted for one to two hours. I taped all of the interviews, and transcribed them myself. This proved to be a very time-consuming task, given that each 1 hour tape took approximately 7 hours to transcribe.

The type of interview that I conducted with each informant conforms to what William Whyte has termed the 'flexibly structured' interview. In this approach:

> The interview is structured in the mind of the interviewer, who follows a plan regarding the kind of information being sought, but who is flexible about the order in which the various pieces of information are brought out. The interviewer is also alert to recognize statements which suggest new questions or even new lines of investigation (Whyte 1979:57).

The interviews were 'structured', to the extent that I had a list of questions that I wished to ask each subject. But the interviews were also 'flexible' in the sense that they were open-ended enough to allow me to pursue unanticipated questions that arose in the course of interviewing. Sometimes, an off-the-cuff remark or an 'aside' by an interviewee proved to be crucial in opening up a new line of inquiry.

In general, the interviews and fieldwork I carried out were valuable in 'orientating' my documentary research at the National Archives and the National Library. On participant observation, from an anthropological perspective, Clifford writes:

> 'Participant observation' serves as shorthand for a continuous tacking between the 'inside' and 'outside' of events: on the one hand grasping the sense of specific occurrences and gestures empathetically, on the other stepping back to situate these meanings in wider contexts. Particular events thus acquire deeper or more general significance, structural rules, and so forth (1988:34).

While I was not a *participant* observer, as such, the point is still germane. And it applies equally to formal interviews. My use of the fieldwork method and interviews allowed me to tack back and forth between particular events (both contemporary and historical) and the context in which they occurred. In the case of historical events, the information elicited in interviews was contextualized via my archival research. Equally, however, information gained from interviews allowed me to make sense of the documents I was examining (and in this sense assisted in orientating the documentary research). Consider the following quote from a journal entry, which I wrote in 1994:

> If I had attempted the archival work at the beginning of the project, I would have been awash with information. Undoubtedly I would have organized it all, and sorted it out, but this task was made very much easier by having a clear idea of what I was doing. This was actually facilitated by the early fieldwork [that I] conducted at the Port of Lyttelton. . . . The fieldwork resulted in as many questions as answers: What did bureau rules contain? How were the GPOs negotiated? Had local bargaining always been a feature of industrial relations on the waterfront, and was it widespread? And so on. It was with these types of questions in mind that I travelled to Wellington in 1993 to the National Archives and National Library.

(5) Documentary Research

If the fieldwork, then, was the key to the interviews it was also crucial for the process of documentary research. The bulk of the documentary research was carried out in 1993 and 1994. This involved seven trips to Wellington, each for approximately a week and a half. Collections of archives at two different locations in Wellington were examined. The records of the Waterfront Industry Commission, both locally and nationally, and of the Waterfront Industry Tribunal are located at the National Archives. These records only became available towards the end of 1992. Indeed, an inventory of the records had to be specially typed for me (at the not inconsiderable cost of $50) and I was amongst the first to examine them. Of particular interest were the decisions of the Waterfront Industry Tribunal. I read all 923 of these decisions, covering the years 1953-1987. This provided much useful information on the types of disputes that occurred during this period, and the positions adopted by the actors involved.

Similarly the copies of the General Principal Order and the local Principal Orders, which are held at the National Archives, were very important sources of information on the terms and conditions of work that obtained in the period under

consideration. More generally, from the records examined I got a sense of how the Commission and its local branches operated. Locating copies of bureau rules (which hitherto had proven to be elusive) was particularly important in this regard.

The second set of records I examined are located at the National Library (also in Wellington). There are two collections of interest at this site: the records of the waterside workers' summit organizations from 1947 to 1988, and the records of the Port Employers Association and New Zealand Association of Waterfront Employers from 1949 to 1989. I was the first person to examine the records of the employers' organizations. This I ascertained by the fact that these records were not even entered on the National Library's computer access system, and had to be loaded onto this system before I could request them.

In each case, the problems of validity and locating and accessing documents commonly associated with documentary research (see Platt 1981) did not arise. The records are all 'authentic'; they are all inventoried; and they are all readily available for inspection. Indeed, the records of the Commission are publicly available at the National Archives, as are the records of the employers' organizations at the National Library. Although the union records at this latter site constitute a 'restricted collection', a request I sent by letter to the Chief Librarian to access this collection was readily granted.

The few elusive documents, which I could not locate at either set of archives, were fortunately able to be supplied to me by interviewees. These are as follows: the original arbitrated container terminal decision; the Federation of Labour guidelines regarding container packing and unpacking; and the weekly newsletters of NZAWE.

A great deal of detailed material was gained from the archival research, and some of it could not be incorporated into the study. Regarding the records that I examined, it seems appropriate to recall the words of the pilgrim:

> I cannot tell about them all in full;
> my theme is long and urges me ahead,
> often I must omit things I have seen.
> (Dante, *The Divine Comedy:Inferno*)

(6) Returning to the Field

When the study was nearing completion, in late 1995, I again returned to fieldwork. I did a brief stint of interviewing union officials at Lyttelton, and a series of telephone interviews with local and national union officials at Wellington. I did so in order to identify developments in the period after I finished conducting the bulk of the fieldwork (which ended in 1993). I drew on these interviews in writing about the return of small firms to the waterfront. Conducting these interviews, at the end of the study, was particularly rewarding. Having written the bulk of the thesis, I was well-placed to make sense of the developments, with respect to casual labour and small firms, which the union officials described to me.

APPENDIX 1 : COMPANIES INVOLVED IN STEVEDORING

In this appendix I present a schematic representation of the types of companies that were involved in stevedoring. To construct the charts which follow, I used the New Zealand Shipping Directory as the main database. The Directory is essentially an advertising publication, and it was published from 1962 until 1992. For my purposes, the Directory is useful insofar as it lists the names of the companies involved in stevedoring at each port during this period.

Using the Directory for this purpose does not guarantee complete accuracy, as in a few cases the list it provided lagged behind shifts in the actual sphere of operation of some companies (withdrawals from some ports, changes in name, and so forth). For an advertising publication, such mistakes are unusual, and they appear to be the exception rather than the rule. In any case, where they have been detected, I have made the appropriate changes. It should also be noted that a copy of the 1974 edition of the Directory was not available. Consequently, that year has been omitted from the charts.

In order to ascertain patterns of ownership (and hence the main types of companies that were involved in stevedoring) I used two main sources: company annual reports (held by the Department of Accountancy Library, University of Canterbury), and ownership searches conducted at the regional offices of the Registrar of Companies.

I have identified four main types of companies that engaged in stevedoring during the time period under consideration.[1] The company types are as follows:

[1] It should be noted that, strictly speaking, harbour boards were not 'companies'. However, for the purposes at hand it is convenient to bracket them with the 'independent' companies that I have identified. This is valid, insofar as harbour boards were not owned or controlled by shipping companies.

(1) Shipping companies which carried out stevedoring;
(2) Subsidiary stevedoring companies (which were owned by shipping companies);
(3) Independent stevedoring companies (which were not owned by shipping companies);
(4) Hybrid stevedoring companies (which were either partly or wholly owned by waterside workers' unions);

Each type of company is identified on the charts by the shading used, as follows:

- shipping companies (unshaded)
- subsidiary stevedoring companies 
- independent stevedoring companies 
- hybrid stevedoring companies 

Additionally, companies that engaged in the practice of 'carpetbagging' (by contracting for stevedoring work at ports other than the ones where they had a permanent presence) have been designated in italics. Using the Shipping Directory, I have identified these companies as those which did not have an office at the ports where they were listed as being involved in stevedoring (instead giving a contact phone number and address at the port(s) where they were permanently based). This method of identifying the companies that engaged in carpetbagging is not infallible, but it does give some indication of the extent of this practice.

Thus the charts list both the names of the companies involved in stevedoring and the main company types. The schematic representation of these companies is constrained by need to present it in a manner which is consistent with the format of a thesis (on A4 paper, that is). In this format the changing patterns are not

visually as easily detected as when the charts are viewed full-size. Thus I will provide a written description of the patterns that I have identified. These patterns, in turn, inform the argument that I develop in Chapter 8.

First and foremost, in the 1970s (after containerization) the number of shipping companies involved in stevedoring declined dramatically (which provides evidence of the process of 'vertical disintegration' that I referred to in Chapter 8). Second (and not unrelated to the first), after containerization there was an increase in the number of independent stevedoring companies (which is the 'other side' of the process of vertical disintegration). Third, the incidence of stevedoring companies that engaged in the practice of 'carpet-bagging' increased in the mid-to-late 1970s, after the shift to containerization, as they 'chased' an ever-diminishing amount of break-bulk work. Fourth, there emerged in the 1970s a number of small 'hybrid' firms in which the port unions were shareholders. Fifth, the small hybrid companies all but disappeared after deregulation (in 1989), and numbers of stevedoring companies declined overall. The remaining companies within the field of stevedoring are New Zealand Stevedoring (the only national stevedoring company), individual port companies, and a handful of stevedoring companies that are based at one or two ports.

	1992	1991	1990	1989	1988	1987	1986
Auckland	Auckland Stevedoring Co. Leonard & Dingley N.Z. Stevedoring Co. Ports of Auckland Ltd N.Z. Phosphate Co. Aotearoa Stevedoring	Auckland Stevedoring Co. Leonard & Dingley N.Z. Stevedoring Co. Ports of Auckland Ltd N.Z. Phosphate Co. Pacific Stevedoring	Auckland Stevedoring Co. Leonard & Dingley N.Z. Stevedoring Co. Ports of Auckland Ltd *Associated Stevedores* Pacific Stevedoring	Auckland Stevedoring Co. Leonard & Dingley N.Z. Stevedoring Co. Ports of Auckland Ltd Associated Stevedores	Auckland Stevedoring Co. Leonard & Dingley N.Z. Stevedoring Co. Ports of Auckland Ltd Associated Stevedores	Auckland Stevedoring Co. Leonard & Dingley Seaport Operations Ltd Union Maritime Services Associated Stevedores Auckland Harbour Board	Auckland Stevedoring Co. Leonard & Dingley Seaport Operations Ltd Union Maritime Services Associated Stevedores Auckland Harbour Board
Bluff	N.Z. Stevedoring Co. *N.Z. Phosphate Co.*	N.Z. Stevedoring Co. *N.Z. Phosphate Co.*	N.Z. Stevedoring Co. *Associated Stevedores*	N.Z. Stevedoring Co. *Associated Stevedores*	N.Z. Stevedoring Co. *Associated Stevedores* South Stevedores Ltd	Seaport Operations Ltd Union Maritime Services *Associated Stevedores* South Stevedores Ltd	Seaport Operations Ltd Union Maritime Services *Associated Stevedores* South Stevedores Ltd
Dunedin & Port Chalmers	N.Z. Phosphate Co. N.Z. Stevedoring Co. Port Otago Ltd	N.Z. Phosphate Co. N.Z. Stevedoring Co. Port Otago Ltd	N.Z. Stevedoring Co. Tapley Swift Shipping *Associated Stevedores* Port Otago Ltd	N.Z. Stevedoring Tapley Swift Shipping *Associated Stevedores* Port Otago Ltd	N.Z. Stevedoring Co. Tapley Swift Shipping *Associated Stevedores* Port Otago Ltd	Seaport Operations Ltd Union Maritime Services Tapley Swift Shipping Otago Harbour Board *Associated Stevedores*	Seaport Operations Ltd Union Maritime Services Tapley Swift Shipping Otago Harbour Board *Associated Stevedores*
Gisborne	*N.Z. Stevedoring Co.*	*N.Z. Stevedoring Co.* *Puflett and Smith*	*Puflett and Smith* *N.Z. Stevedoring Co.* *Associated Stevedores*	*N.Z. Marshalling & Stevedoring (Gisborne)* *Puflett and Smith* *N.Z. Stevedoring Co.* *Associated Stevedores*	*N.Z Marshalling & Stevedoring (Gisborne)* *Puflett and Smith Ltd* *N.Z. Stevedoring Co.* *Associated Stevedores*	*N.Z. Marshalling & Stevedoring (Gisborne)* *Seaport Operations Ltd* *Union Maritime Services* *Puflett and Smith Ltd* *Associated Stevedores*	*N.Z. Marshalling & Stevedoring (Gisborne)* *Seaport Operations Ltd* *Union Maritime Services* *Puflett and Smith Ltd* *Associated Stevedores*
Lyttelton	N.Z. Stevedoring Co. Lyttelton Port Co. Pacifica Shipping *N.Z. Phosphate Co.*	N.Z. Stevedoring Co. Lyttelton Port Co. Pacifica Shipping *N.Z. Phosphate Co.*	N.Z. Stevedoring Co. Lyttelton Port Co. Pacifica Shipping *Associated Stevedores*	N.Z. Stevedoring Co. Lyttelton Stevedoring Co. Lyttelton Port Co. Pacifica Shipping *Associated Stevedores*	N.Z. Stevedoring Co. Lyttelton Stevedoring Co. Lyttelton Port Co. Pacifica Shipping *Associated Stevedores*	Seaport Operations Ltd Union Maritime Services Lyttelton Stevedoring Co. Lyttelton Harbour Board *Associated Stevedores*	Seaport Operations Ltd Union Maritime Services Lyttelton Stevedoring Co. Lyttelton Harbour Board *Associated Stevedores*
Napier	N.Z. Stevedoring Co. *N.Z. Phosphate Co.* Omniport	Puflett & Smith N.Z. Stevedoring Co. *N.Z. Phosphate Co.* Omniport	Puflett and Smith N.Z. Stevedoring Co. *Associated Stevedores*	Puflett and Smith N.Z. Stevedoring *Associated Stevedores*	Puflett and Smith N.Z. Stevedoring *Associated Stevedores*	Puflett and Smith Seaport Operations Ltd Union Maritime Services *Associated Stevedores*	Puflett and Smith Seaport Operations Ltd Union Maritime Services *Associated Stevedores*
Nelson	Tasman Bay Stevedoring *N.Z. Phosphate Co.* Stevedoring Services Ltd (Nelson)	Union Stevedoring Services *N.Z. Phosphate Co.* Stevedoring Services Ltd (Nelson)	Union Stevedoring Services *Associated Stevedores*	Union Stevedoring Services *Associated Stevedores*	N.Z. Stevedoring *Associated Stevedores*	Seaport Operations Ltd Union Stevedoring Services *Associated Stevedores*	Seaport Operations Ltd Union Stevedoring Services *Associated Stevedores*
New Plymouth	*Leonard & Dingley* *N.Z. Phosphate Co.* N.Z. Stevedoring Co.	*Leonard & Dingley* *N.Z. Phosphate Co.* N.Z. Stevedoring Co. Sealab Contracts Ltd	N.Z. Stevedoring Co. *Associated Stevedores* *Leonard & Dingley*	N.Z. Stevedoring Co. *Associated Stevedores*	N.Z. Stevedoring Co. *Associated Stevedores*	Seaport Operations Ltd Union Maritime Services *Associated Stevedores*	Seaport Operations Ltd Union Maritime Services *Associated Stevedores*
Onehunga	*Leonard & Dingley*	*Leonard and Dingley*	*Associated Stevedores* *Leonard & Dingley*	*Associated Stevedores* *Leonard & Dingley*	*Leonard & Dingley* *Associated Stevedores* Manukau Stevedoring	*Seaport Operations Ltd* *Leonard & Dingley* Manukau Stevedoring	*Seaport Operations Ltd* *Leonard & Dingley* Manukau Stevedoring
Picton						*Seaport Operations Ltd*	*Seaport Operations Ltd*
Tauranga / Mount Maunganui	Associated Stevedores ABOD Stevedoring & Services Ltd. N.Z. Stevedoring Co. Mt. Maung. & Tauranga Stevedores N.Z. Marshalling & Stevedoring *Leonard & Dingley*	Associated Stevedores N.Z. Marshalling & Stevedoring N.Z. Stevedoring Co. Mt. Maung. & Tauranga Stevedores *Leonard & Dingley* *N.Z. Phosphate Co.*	Associated Stevedores N.Z. Marshalling & Stevedoring N.Z. Stevedoring Co. Marine Services & Stevedores *Leonard & Dingley* Mt. Maung. & Tauranga Stevedores	Associated Stevedores N.Z. Marshalling & Stevedoring N.Z. Stevedoring Co. Marine Services & Stevedores *Leonard & Dingley*	Associated Stevedores N.Z. Marshalling & Stevedoring N.Z. Stevedoring Co. Marine Services & Stevedores *Leonard & Dingley*	Associated Stevedores N.Z. Marshalling & Stevedoring Seaport Operations Ltd Union Maritime Services Marine Services & Stevedores *Leonard & Dingley*	Associated Stevedores N.Z. Marshalling & Stevedoring Seaport Operations Ltd Union Maritime Services Bay of Plenty Stevedoring Marine Services & Stevedores *Leonard & Dingley*
Timaru	Timaru Stevedoring Co. Turnbull Stevedoring Ltd *N.Z. Phosphate Co.*	Timaru Stevedoring Co. Turnbull Stevedoring Ltd *N.Z. Phosphate Co.*	Timaru Stevedoring Co. Turnbull Stevedoring Ltd *Associated Stevedores*	Timaru Stevedoring Co. D.C. Turnbull & Co. *Associated Stevedores*	N.Z. Stevedoring Co. D.C. Turnbull & Co. *Associated Stevedores*	*Seaport Operations Ltd* D.C. Turnbull & Co. Union Maritime Services *Associated Stevedores*	*Seaport Operations Ltd* D.C. Turnbull & Co. Union Maritime Services *Associated Stevedores*
Wellington	N.Z. Stevedoring Co. Wellington Cargo Services Container Terminals Ltd	N.Z. Stevedoring Co. Wellington Cargo Services Container Terminals Ltd	*Associated Stevedores* N.Z. Stevedoring Co. Container Terminals Ltd Port of Wellington Ltd	*Associated Stevedores* N.Z. Stevedoring Co. Container Terminals Ltd Port of Wellington Ltd	N.Z. Stevedoring Co. *Associated Stevedores* Container Terminals Ltd	Seaport Operations Ltd Union Maritime Services Container Terminals Ltd *Associated Stevedores*	Seaport Operations Ltd Union Maritime Services Container Terminals Ltd *Associated Stevedores*
Whangarei	*Leonard and Dingley Ltd* *N.Z. Phosphate Co.* Northland Stevedoring Services	*Auckland Stevedoring* *Leonard and Dingley Ltd* *N.Z. Phosphate Co.* Northland Stevedoring Services	*Auckland Stevedoring* N.Z. Stevedoring Co. *Leonard and Dingley Ltd* *Associated Stevedores*	*Auckland Stevedoring* N.Z. Stevedoring Co. *N.Z. Marshalling & Stevedoring (Whang.)* *Leonard and Dingley Ltd* *Associated Stevedores*	*Auckland Stevedoring* N.Z. Stevedoring Co. *N.Z. Marshalling & Stevedoring (Whang.)* *Leonard and Dingley Ltd* *Associated Stevedores*	*Auckland Stevedoring* *Seaport Operations Ltd* Union Maritime Services *N.Z. Marshalling & Stevedoring (Whang.)* *Leonard and Dingley Ltd* *Associated Stevedores*	*Auckland Stevedoring* *Seaport Operations Ltd* Union Maritime Services *N.Z. Marshalling & Stevedoring (Whang.)* *Leonard and Dingley Ltd* *Associated Stevedores*

	1985	1984	1983	1982	1981	1980	1979
Auckland	Auckland Stevedoring Co. Leonard & Dingley Seaport Operations Ltd Union Maritime Services Associated Stevedores Auckland Harbour Board	Auckland Stevedoring Co. Leonard & Dingley Seaport Operations Ltd Union Maritime Services Associated Stevedores Auckland Harbour Board	Auckland Stevedoring Co. Leonard & Dingley Seaport Operations Ltd Union Maritime Services Associated Stevedores Auckland Harbour Board	Auckland Stevedoring Co. Leonard & Dingley Seaport Operations Ltd Union Maritime Services Associated Stevedores Auckland Harbour Board	Auckland Stevedoring Co. Leonard & Dingley Seaport Operations Ltd Union Maritime Services Auckland Harbour Board	Auckland Stevedoring Co. Leonard & Dingley Seaport Operations Ltd Union Shipping Co. Auckland Harbour Board	Auckland Stevedoring Co. Leonard & Dingley Seaport Operations Ltd Union Shipping Co. Auckland Harbour Board
Bluff	Seaport Operations Ltd Union Maritime Services *Associated Stevedores* South Stevedores Ltd	Seaport Operations Ltd Union Maritime Services *Associated Stevedores* South Stevedores Ltd	Seaport Operations Ltd Union Maritime Services *Associated Stevedores* South Stevedores Ltd	Seaport Operations Ltd Union Maritime Services *Associated Stevedores* South Stevedores Ltd	Seaport Operations Ltd Union Maritime Services South Stevedores Ltd	Seaport Operations Ltd Union Shipping Co. South Stevedores Ltd	Seaport Operations Ltd Union Shipping Co.
Dunedin & Port Chalmers	Seaport Operations Ltd Union Maritime Services Tapley Swift Shipping Otago Harbour Board *Associated Stevedores*	Seaport Operations Ltd Union Maritime Services Tapley Swift Shipping Otago Harbour Board *Associated Stevedores*	Seaport Operations Ltd Union Maritime Services Tapley Swift Shipping Otago Harbour Board *Associated Stevedores*	Seaport Operations Ltd Union Maritime Services Tapley Swift Shipping Otago Harbour Board *Associated Stevedores*	Seaport Operations Ltd Union Maritime Services Tapley Swift Shipping Otago Harbour Board	Seaport Operations Ltd Union Shipping Co. Tapley Swift Shipping Otago Harbour Board	Seaport Operations Ltd Union Shipping Co. Tapley Swift Shipping Otago Harbour Board
Gisborne	*N.Z. Marshalling & Stevedoring (Gisborne)* *Seaport Operations Ltd* *Union Maritime Services* *Puflett and Smith Ltd* *Associated Stevedores*	*N.Z. Marshalling & Stevedoring (Gisborne)* *Seaport Operations Ltd* *Union Maritime Services* *Puflett and Smith Ltd* *Associated Stevedores*	*N.Z. Marshalling & Stevedoring (Gisborne)* *Seaport Operations Ltd* *Union Maritime Services* *Puflett and Smith Ltd* *Associated Stevedores*	*N.Z. Marshalling & Stevedoring (Gisborne)* *Seaport Operations Ltd* *Union Maritime Services* *Puflett and Smith Ltd* *Associated Stevedores*	*N.Z. Marshalling & Stevedoring (Gisborne)* *Seaport Operations Ltd* *Union Maritime Services* *Puflett and Smith Ltd*	*N.Z. Marshalling (Gisborne)* *Seaport Operations Ltd* *Union Shipping Co.*	*Seaport Operations Ltd*
Lyttelton	Seaport Operations Ltd Union Maritime Services Lyttelton Stevedoring Co. Lyttelton Harbour Board *Associated Stevedores*	Seaport Operations Ltd Union Maritime Services Lyttelton Stevedoring Co. Lyttelton Harbour Board *Associated Stevedores*	Seaport Operations Ltd Union Maritime Services Lyttelton Stevedoring Co. Lyttelton Harbour Board *Associated Stevedores*	Seaport Operations Ltd Union Maritime Services Lyttelton Stevedoring Co. Lyttelton Harbour Board *Associated Stevedores*	Seaport Operations Ltd Union Maritime Services Lyttelton Stevedoring Co. Lyttelton Harbour Board	Seaport Operations Ltd Union Shipping Co. Lyttelton Stevedoring Co. Lyttelton Harbour Board	Seaport Operations Ltd Union Shipping Co. Lyttelton Stevedoring Co. Lyttelton Harbour Board
Napier	Puflett and Smith Seaport Operations Ltd Union Maritime Services *Associated Stevedores*	Puflett and Smith Seaport Operations Ltd Union Maritime Services *Associated Stevedores*	Puflett and Smith Seaport Operations Ltd Union Maritime Services *Associated Stevedores*	Puflett and Smith Seaport Operations Ltd Union Maritime Services *Associated Stevedores*	Puflett and Smith Seaport Operations Ltd Union Maritime Services	Seaport Operations Ltd Union Shipping Co.	Seaport Operations Ltd Union Shipping Co.
Nelson	Seaport Operations Ltd Union Stevedoring Services *Associated Stevedores*	Seaport Operations Ltd Union Stevedoring Services *Associated Stevedores*	Seaport Operations Ltd Union Stevedoring Services *Associated Stevedores*	Seaport Operations Ltd Union Stevedoring Services *Associated Stevedores*	Anchor Shipping Seaport Operations Ltd Nelson Stevedores Ltd	Anchor Shipping Seaport Operations Ltd Nelson Stevedores Ltd	Anchor Dorman Ltd Seaport Operations Ltd Nelson Stevedores Ltd
New Plymouth	Seaport Operations Ltd Union Maritime Services *Associated Stevedores*	Seaport Operations Ltd Union Maritime Services *Associated Stevedores*	Seaport Operations Ltd Union Maritime Services	Seaport Operations Ltd Union Maritime Services	Seaport Operations Ltd Union Maritime Services	Seaport Operations Ltd Union Shipping Co.	Seaport Operations Ltd Union Shipping Co.
Onehunga	*Seaport Operations Ltd* *Leonard & Dingley* Manukau Stevedoring	*Seaport Operations Ltd* *Leonard & Dingley* Manukau Stevedoring	*Seaport Operations Ltd* *Leonard & Dingley* Manukau Stevedoring	*Seaport Operations Ltd* *Leonard and Dingley* Manukau Stevedoring	*Seaport Operations Ltd* Manukau Stevedoring	*Seaport Operations Ltd* Manukau Stevedoring	*Seaport Operations Ltd* Manukau Stevedoring
Picton	*Seaport Operations Ltd*	*Seaport Operations Ltd*	*Seaport Operations Ltd*	*Seaport Operations Ltd*	*Seaport Operations Ltd*	*Seaport Operations Ltd*	*Seaport Operations Ltd*
Tauranga / Mount Maunganui	Associated Stevedores N.Z. Marshalling & Stevedoring Seaport Operations Ltd Union Maritime Services Bay of Plenty Stevedoring Marine Services & Stevedores *Leonard & Dingley*	Associated Stevedores N.Z. Marshalling & Stevedoring Seaport Operations Ltd Union Maritime Services Bay of Plenty Stevedoring Marine Services & Stevedores	Associated Stevedores N.Z. Marshalling & Stevedoring Seaport Operations Ltd Union Maritime Services Bay of Plenty Stevedoring Marine Services & Stevedores	Associated Stevedores N.Z. Marshalling & Stevedoring Seaport Operations Ltd Union Maritime Services Bay of Plenty Stevedoring Marine Services & Stevedores	N.Z. Marshalling & Stevedoring Seaport Operations Ltd Union Maritime Services Bay of Plenty Stevedoring Marine Services & Stevedores	N.Z. Marshalling Seaport Operations Ltd Union Shipping Co. Bay of Plenty Stevedoring Marine Services & Stevedores	N.Z. Marshalling Seaport Operations Ltd Union Shipping Co. Bay of Plenty Stevedoring Marine Services & Stevedores
Timaru	Seaport Operations Ltd D.C. Turnbull & Co. Union Maritime Services *Associated Stevedores*	Seaport Operations Ltd D.C. Turnbull & Co. Union Maritime Services *Associated Stevedores*	Seaport Operations Ltd D.C. Turnbull & Co. Union Maritime Services *Associated Stevedores*	Seaport Operations Ltd D.C. Turnbull & Co. Union Maritime Services *Associated Stevedores*	Seaport Operations Ltd D.C. Turnbull & Co. Union Maritime Services	Seaport Operations Ltd D.C. Turnbull & Co. Union Shipping Co.	Seaport Operations Ltd D.C. Turnbull & Co. Union Shipping Co.
Wellington	Seaport Operations Ltd Union Maritime Services Container Terminals Ltd *Associated Stevedores*	Seaport Operations Ltd Union Maritime Services Container Terminals Ltd *Associated Stevedores*	Seaport Operations Ltd Union Maritime Services Container Terminals Ltd	Seaport Operations Ltd Union Maritime Services Container Terminals Ltd	Seaport Operations Ltd Union Maritime Services Container Terminals Ltd	Seaport Operations Ltd Union Shipping Co. Container Terminals Ltd	Seaport Operations Ltd Union Shipping Co. Container Terminals Ltd
Whangarei	*Auckland Stevedoring* *Seaport Operations Ltd* Union Maritime Services *N.Z. Marshalling & Stevedoring (Whang.)* *Leonard and Dingley Ltd* *Associated Stevedores*	*Auckland Stevedoring* *Seaport Operations Ltd* Union Maritime Services *N.Z. Marshalling & Stevedoring (Whang.)* *Leonard and Dingley Ltd* *Associated Stevedores*	*Auckland Stevedoring* *Seaport Operations Ltd* Union Maritime Services *N.Z. Marshalling & Stevedoring (Whang.)* *Leonard and Dingley Ltd* *Associated Stevedores*	*Auckland Stevedoring* *Seaport Operations Ltd* Union Maritime Services *N.Z. Marshalling & Stevedoring (Whang.)* *Leonard and Dingley Ltd* *Associated Stevedores*	*Auckland Stevedoring* *Seaport Operations Ltd* Union Maritime Services *N.Z. Marshalling & Stevedoring (Whang.)*	*Auckland Stevedoring* *Seaport Operations Ltd* Union Shipping Co. N.Z. Marshalling (Whang.)	*Auckland Stevedoring* *Seaport Operations Ltd* Union Shipping Co.

	1978	1977	1976	1975	1973	1972	1971
Auckland	Auckland Stevedoring Co. Leonard & Dingley Seaport Operations Ltd Union Shipping Co. Auckland Harbour Board	Auckland Stevedoring Co. Leonard & Dingley Seaport Operations Ltd Union Shipping Co. Auckland Harbour Board	Auckland Stevedoring Co. Leonard & Dingley Northern Steam Ship Co North Island Stevedoring Union Shipping Co. United Stevedores Ltd Auckland Harbour Board	Auckland Stevedoring Co. Leonard & Dingley Northern Steam Ship Co North Island Stevedoring Seatrans Consolidated Union Shipping Co. Auckland Harbour Board	Auckland Stevedoring Co. Leonard & Dingley Northern Steam Ship Co Seatrans Consolidated Union Shipping Co. Waitemata Stevedoring Auckland Harbour Board	Auckland Stevedoring Co. Leonard & Dingley Northern Steam Ship Co Seatrans Consolidated Union Shipping Co. Waitemata Stevedoring Holm Shipping Co. Auckland Harbour Board	Auckland Stevedoring Co. Leonard & Dingley Northern Steam Ship Co Seatrans Consolidated Union Shipping Co. Waitemata Stevedoring Holm Shipping Co. Maritime Services Ltd
Bluff	Seaport Operations Ltd Union Shipping Co.	Seaport Operations Ltd Union Shipping Co.	N.Z. Stevedoring & Wharfingering United Stevedores Ltd	Seatrans Consolidated N.Z. Stevedoring & Wharfingering	Seatrans Consolidated N.Z. Stevedoring & Wharfingering Union Shipping Co.	Seatrans Consolidated N.Z. Stevedoring & Wharfingering Union Shipping Co.	Seatrans Consolidated N.Z. Stevedoring & Wharfingering Union Shipping Co.
Dunedin & Port Chalmers	Seaport Operations Ltd Union Shipping Co. Tapley Swift Shipping Otago Harbour Board	Seaport Operations Ltd Union Shipping Co. Tapley Swift Shipping Keith Ramsay Ltd Otago Harbour Board	N.Z. Stevedoring & Wharfingering Union Shipping Co. Tapley Swift Shipping Keith Ramsay Ltd United Stevedores Ltd Otago Harbour Board	N.Z. Stevedoring & Wharfingering Keith Ramsay Ltd Seatrans Consolidated Tapley Swift Shipping Union Shipping Co. Otago Harbour Board	N.Z. Stevedoring & Wharfingering Keith Ramsay Ltd Seatrans Consolidated Tapley Swift Shipping Union Shipping Co. Otago Harbour Board	N.Z. Stevedoring & Wharfingering Keith Ramsay Ltd Seatrans Consolidated Tapley Swift Shipping Union Shipping Co.	N.Z. Stevedoring & Wharfingering Keith Ramsay Ltd Seatrans Consolidated Tapley Swift Shipping Union Shipping Co.
Gisborne	*Seaport Operations Ltd*	*Seaport Operations Ltd*	*United Stevedores Ltd*	Gisborne Stevedoring & Shipping Services Union Shipping Co.	Gisborne Stevedoring & Shipping Services Union Shipping Co.	Gisborne Stevedoring & Shipping Services Union Shipping Co.	Gisborne Stevedoring & Shipping Services Union Shipping Co.
Lyttelton	Seaport Operations Ltd Union Shipping Co. Lyttelton Stevedoring Co. Lyttelton Harbour Board	Seaport Operations Ltd Union Shipping Co. Lyttelton Stevedoring Co. Lyttelton Harbour Board	Union Shipping Co. N.Z. Stevedoring & Wharfingering United Stevedores Ltd Express Stevedoring	Union Shipping Co. Seatrans Consolidated N.Z. Stevedoring & Wharfingering Kinsey and Co. Ltd	Union Shipping Co. Seatrans Consolidated N.Z. Stevedoring & Wharfingering Kinsey and Co. Ltd	Union Shipping Co. Seatrans Consolidated N.Z. Stevedoring & Wharfingering Kinsey and Co. Ltd Holm Shipping Co.	Union Shipping Co. Seatrans Consolidated N.Z. Stevedoring & Wharfingering Kinsey and Co. Ltd Holm Shipping Co.
Napier	Seaport Operations Ltd Union Shipping Co.	Seaport Operations Ltd Union Shipping Co.	Union Shipping Co. N.Z. Stevedoring & Wharfingering United Stevedores Ltd	N.Z. Stevedoring & Wharfingering Union Shipping Co. Seatrans Consolidated	N.Z. Stevedoring & Wharfingering Union Shipping Co.	N.Z. Stevedoring & Wharfingering Union Shipping Co.	N.Z. Stevedoring & Wharfingering Union Shipping Co.
Nelson	Anchor Dorman Ltd Seaport Operations Ltd Nelson Stevedores Ltd	Anchor Dorman Ltd Seaport Operations Ltd	Anchor Dorman Ltd North Island Stevedoring United Stevedores Ltd	Anchor Dorman Ltd *Gannaway & Co. Ltd* North Island Stevedoring Seatrans Consolidated	Anchor Shipping & Foundry Co. *Gannaway & Co. Ltd* *Wellington Stevedoring* Seatrans Consolidated	Anchor Shipping & Foundry Co. *Gannaway & Co. Ltd* *Wellington Stevedoring* Seatrans Consolidated	Anchor Shipping & Foundry Co. *Gannaway & Co. Ltd* *Wellington Stevedoring* Seatrans Consolidated
New Plymouth	Seaport Operations Ltd Union Shipping Co.	Seaport Operations Ltd Union Shipping Co.	Union Shipping Co. N.Z. Stevedoring & Wharfingering *United Stevedores Ltd*	N.Z. Stevedoring & Wharfingering Bay of Plenty Stevedoring Union Shipping Co. *Seatrans Consolidated*	N.Z. Stevedoring & Wharfingering Bay of Plenty Stevedoring Union Shipping Co. *Seatrans Consolidated*	N.Z. Stevedoring & Wharfingering Bay of Plenty Stevedoring Union Shipping Co. *Seatrans Consolidated*	N.Z. Stevedoring & Wharfingering Bay of Plenty Stevedoring Union Shipping Co.
Onehunga	*Seaport Operations Ltd* Manukau Stevedoring	*Seaport Operations Ltd* Manukau Stevedoring	*United Stevedores Ltd*				
Picton	*Seaport Operations Ltd*	*Seaport Operations Ltd*	*United Stevedores Ltd* *North Island Stevedoring*	*Gannaway & Co.* *North Island Stevedoring* *Seatrans Consolidated* Southern Shipping Services	*Gannaway & Co.* *Wellington Stevedoring* *Seatrans Consolidated* Southern Shipping Services	Union Shipping Co. *Gannaway & Co.* *Wellington Stevedoring* *Seatrans Consolidated* Southern Shipping Services	Union Shipping Co. *Gannaway & Co.* *Wellington Stevedoring* Bay of Plenty Stevedoring
Tauranga / Mount Maunganui	Seaport Operations Ltd Union Shipping Co. Bay of Plenty Stevedoring Marine Services & Stevedores N.Z. Marshalling	Seaport Operations Ltd Union Shipping Co. Bay of Plenty Stevedoring Marine Services & Stevedores N.Z. Marshalling	Bay of Plenty Stevedoring Union Shipping Co. Marine Services & Stevedores North Island Stevedoring United Stevedores Ltd N.Z. Marshalling	Bay of Plenty Stevedoring Marine Services & Stevedores Mt. Maung. & Tauranga Stevedores Northern Steam Ship Co North Island Stevedoring Union Shipping Co. N.Z. Marshalling	Bay of Plenty Stevedoring Marine Services & Stevedores Mt. Maung. & Tauranga Stevedores Northern Steam Ship Co Union Shipping Co.	Bay of Plenty Stevedoring Marine Services & Stevedores Mt. Maung. & Tauranga Stevedores Northern Steam Ship Co Union Shipping Co.	Bay of Plenty Stevedoring Marine Services & Stevedores Mt. Maung. & Tauranga Stevedores Northern Steam Ship Co Union Shipping Co. Seatrans Consolidated
Timaru	Seaport Operations Ltd D.C. Turnbull & Co. Union Shipping Co.	Seaport Operations Ltd D.C. Turnbull & Co. Union Shipping Co. H.J.R. Somerville & Sons	D.C. Turnbull & Co. Union Shipping Co. H.J.R. Somerville & Sons N.Z. Stevedoring & Wharfingering *United Stevedores Ltd*	N.Z. Stevedoring & Wharfingering H.J.R. Somerville & Sons D.C. Turnbull & Co. Union Shipping Co. *Seatrans Consolidated*	N.Z. Stevedoring & Wharfingering H.J.R. Somerville & Sons D.C. Turnbull & Co. Union Shipping Co.	N.Z. Stevedoring & Wharfingering H.J.R. Somerville & Sons D.C. Turnbull & Co. Union Shipping Co.	N.Z. Stevedoring & Wharfingering H.J.R. Somerville & Sons D.C. Turnbull & Co. Union Shipping Co.
Wellington	Seaport Operations Ltd Union Shipping Co. Container Terminals Ltd	Seaport Operations Ltd Union Shipping Co. Container Terminals Ltd	United Stevedores Ltd Union Shipping Co. N.Z. Stevedoring & Wharfingering Container Terminals Ltd	N.Z. Stevedoring & Wharfingering Seatrans Consolidated Gannaway & Co. Ltd Union Shipping Co. Container Terminals Ltd	N.Z. Stevedoring & Wharfingering Seatrans Consolidated Gannaway & Co. Ltd Union Shipping Co. Wellington Stevedoring Geo.H. Scales (Pacific) Ltd Container Terminals Ltd	N.Z. Stevedoring & Wharfingering Seatrans Consolidated Gannaway & Co. Ltd Union Shipping Co. Wellington Stevedoring Geo.H. Scales (Pacific) Ltd Container Terminals Ltd	N.Z. Stevedoring & Wharfingering Seatrans Consolidated Gannaway & Co. Ltd Union Shipping Co. Wellington Stevedoring Geo.H. Scales (Pacific) Ltd
Whangarei	*Auckland Stevedoring* *Seaport Operations Ltd* Union Shipping Co.	*Auckland Stevedoring* *Seaport Operations Ltd* Union Shipping Co.	*Auckland Stevedoring* *North Island Stevedoring* Union Shipping Co. *United Stevedores Ltd*	*Auckland Stevedoring* *North Island Stevedoring* Union Shipping Co.	*Auckland Stevedoring* *Waitemata Stevedoring* Union Shipping Co. *Seatrans Consolidated*	*Auckland Stevedoring* *Waitemata Stevedoring* Union Shipping Co. Seatrans Consolidated	*Auckland Stevedoring* *Waitemata Stevedoring* Union Shipping Co. Seatrans Consolidated

	1970	1969	1968	1967	1966	1965	1964
Auckland	Auckland Stevedoring Co. Leonard & Dingley Northern Steam Ship Co Seatrans Consolidated Union Shipping Co. Waitemata Stevedoring Holm Shipping Co. L.W. Twist Ltd.	Auckland Stevedoring Co. Leonard & Dingley Northern Steam Ship Co. Seatrans Consolidated Union Shipping Co. Waitemata Stevedoring Holm Shipping Co. L.W. Twist Ltd.	Auckland Stevedoring Co. Leonard & Dingley Northern Steam Ship Co. Union Shipping Co. Waitemata Stevedoring L.W. Twist Ltd.	Auckland Stevedoring Co. Leonard & Dingley Northern Steam Ship Co. Union Shipping Co. Waitemata Stevedoring L.W. Twist Ltd.	Auckland Stevedoring Co. Leonard & Dingley Northern Steam Ship Co. Union Shipping Co. Waitemata Stevedoring L.W. Twist Ltd. Auckland Shipping Services	Auckland Stevedoring Co. Leonard & Dingley Northern Steam Ship Co. Union Shipping Co. Waitemata Stevedoring Auckland Shipping Services	Auckland Stevedoring Co. Leonard & Dingley N.Z. Shipping Co. Shaw Savill & Albion Co. Union Shipping Co. Auckland Shipping Services
Bluff	Seatrans Consolidated N.Z. Stevedoring & Wharfingering Union Shipping Co.	N.Z. Stevedoring & Wharfingering Union Shipping Co.	N.Z. Stevedoring & Wharfingering Union Shipping Co.	Southland Stevedoring Union Shipping Co.	Southland Stevedoring Union Shipping Co.	Southland Stevedoring Union Shipping Co.	Southland Stevedoring Union Shipping Co. N.Z. Shipping Co. Shaw Savill & Albion Co.
Dunedin & Port Chalmers	N.Z. Stevedoring & Wharfingering Keith Ramsay Ltd Seatrans Consolidated Tapley Swift Shipping Union Shipping Co.	N.Z. Stevedoring & Wharfingering Keith Ramsay Ltd Seatrans Consolidated Tapley Swift Shipping Union Shipping Co.	N.Z. Stevedoring & Wharfingering Keith Ramsay Ltd Tapley Swift Shipping Union Shipping Co.	N.Z. Stevedoring & Wharfingering Keith Ramsay Ltd Tapley Swift Shipping Union Shipping Co.	N.Z. Stevedoring & Wharfingering Keith Ramsay Ltd	N.Z. Shipping Co. Keith Ramsay Ltd Tapley Swift Shipping Union Shipping Co. Shaw Savill&Albion Co.	N.Z. Shipping Co. Keith Ramsay Ltd Tapley Swift Shipping Union Shipping Co. Shaw Savill&Albion Co.
Gisborne	Union Shipping Co.	Union Shipping Co.	Union Shipping Co.	Union Shipping Co. Gisborne Lightering & Stevedoring Co. *Puflett and Smith*	Union Shipping Co. Gisborne Lightering & Stevedoring Co. *N.Z. Shipping Co.* *Puflett and Smith*	Union Shipping Co. Gisborne Lightering & Stevedoring Co. *Puflett and Smith* *N.Z. Shipping Co.*	Union Shipping Co. Gisborne Lightering & Stevedoring Co. *Puflett and Smith* *N.Z. Shipping Co.*
Lyttelton	Union Shipping Co. Seatrans Consolidated N.Z. Stevedoring & Wharfingering Kinsey and Co. Ltd Holm Shipping Co.	Union Shipping Co. N.Z. Stevedoring & Wharfingering Kinsey and Co. Ltd Holm Shipping Co.	Union Shipping Co. N.Z. Stevedoring & Wharfingering Kinsey and Co. Ltd Holm Shipping Co.	Union Shipping Co. N.Z. Stevedoring & Wharfingering Kinsey and Co. Ltd Holm Shipping Co.	Union Shipping Co. N.Z. Stevedoring & Wharfingering Kinsey and Co. Ltd Holm Shipping Co.	Union Shipping Co. N.Z. Shipping Co. Ltd Shaw Savill & Albion Co. Kinsey and Co. Ltd Holm Shipping Co.	Union Shipping Co. N.Z. Shipping Co. Ltd Shaw Savill & Albion Co. Kinsey and Co. Ltd Holm Shipping Co.
Napier	N.Z. Stevedoring & Wharfingering Union Shipping Co.	N.Z. Stevedoring & Wharfingering Union Shipping Co. Richardson and Co.	N.Z. Stevedoring & Wharfingering Union Shipping Co. Richardson and Co.	Union Shipping Co. Richardson and Co. Napier Stevedoring Co. Puflett and Smith	Union Shipping Co. Richardson and Co. Napier Stevedoring Co. Puflett and Smith	Union Shipping Co. Richardson and Co. Napier Stevedoring Co. N.Z. Shipping Co. Ltd Puflett and Smith	Union Shipping Co. Richardson and Co. Napier Stevedoring Co. N.Z. Shipping Co. Ltd Puflett and Smith
Nelson	Anchor Shipping & Foundry Co. *Gannaway & Co. Ltd* *Wellington Stevedoring* Mt. Maung. & Tauranga Stevedores Seatrans Consolidated	Anchor Shipping & Foundry Co. *Gannaway & Co. Ltd* *Wellington Stevedoring* Mt. Maung. & Tauranga Stevedores	Anchor Shipping & Foundry Co. *Gannaway & Co. Ltd* *Wellington Stevedoring*	Anchor Shipping & Foundry Co. *Gannaway & Co. Ltd* *Wellington Stevedoring*	Anchor Shipping & Foundry Co. *Gannaway & Co. Ltd* *Wellington Stevedoring*	Anchor Shipping & Foundry Co. *Gannaway & Co. Ltd* *Wellington Stevedoring*	Anchor Shipping & Foundry Co. *Gannaway & Co. Ltd* *N.Z. Shipping Co. Ltd*
New Plymouth	N.Z. Stevedoring & Wharfingering Bay of Plenty Stevedoring Union Shipping Co.	N.Z. Stevedoring & Wharfingering Union Shipping Co.	N.Z. Stevedoring & Wharfingering Union Shipping Co.	Dominion Stevedoring Co. Union Shipping Co.	Dominion Stevedoring Co. Union Shipping Co.	Dominion Stevedoring Co. Union Shipping Co.	Dominion Stevedoring Co. Union Shipping Co. N.Z. Shipping Co. Ltd Burgess Holm and Co.
Onehunga							
Picton	Union Shipping Co. *Gannaway & Co.* *Wellington Stevedoring* Bay of Plenty Stevedoring	Union Shipping Co. *Gannaway & Co.* *Wellington Stevedoring*	Union Shipping Co. *Gannaway & Co.* *Wellington Stevedoring*	Union Shipping Co. *Gannaway & Co.* *Wellington Stevedoring*	Union Shipping Co. *Gannaway & Co.* *Wellington Stevedoring*	Union Shipping Co. *Gannaway & Co.* *Wellington Stevedoring*	Union Shipping Co. *Gannaway & Co.* *N.Z. Shipping Co.Ltd*
Tauranga / Mount Maunganui	Bay of Plenty Stevedoring Marine Services & Stevedores Mt. Maung. & Tauranga Stevedores Northern Steam Ship Co Union Shipping Co. Seatrans Consolidated	Bay of Plenty Stevedoring Marine Services & Stevedores Mt. Maung. & Tauranga Stevedores Northern Steam Ship Co Union Shipping Co. Seatrans Consolidated	Bay of Plenty Stevedoring Marine Services & Stevedores Mt. Maung. & Tauranga Stevedores Northern Steam Ship Co. Union Shipping Co.	Bay of Plenty Stevedoring Marine Services & Stevedores Mt. Maung. & Tauranga Stevedores Northern Steam Ship Co. Union Shipping Co.	Bay of Plenty Stevedoring Marine Services & Stevedores Mt. Maung. & Tauranga Stevedores Northern Steam Ship Co. Union Shipping Co.	Marine Services & Stevedores Mt. Maung. & Tauranga Stevedores Northern Steam Ship Co. Union Shipping Co. *Auckland Stevedoring* *Waitemata Stevedoring*	Marine Services & Stevedores Mt. Maung. & Tauranga Stevedores Northern Steam Ship Co. Union Shipping Co. *Auckland Stevedoring* *N.Z. Shipping Co.*
Timaru	N.Z. Stevedoring & Wharfingering H.J.R. Somerville & Sons D.C. Turnbull & Co. Union Shipping Co.	N.Z. Stevedoring & Wharfingering H.J.R. Somerville & Sons D.C. Turnbull & Co. Union Shipping Co.	N.Z. Stevedoring & Wharfingering H.J.R. Somerville & Sons D.C. Turnbull & Co. Union Shipping Co.	N.Z. Stevedoring & Wharfingering H.J.R. Somerville & Sons D.C. Turnbull & Co. Union Shipping Co.	N.Z. Stevedoring & Wharfingering H.J.R. Somerville & Sons D.C. Turnbull & Co. Union Shipping Co.	N.Z. Shipping Co. Shaw Savill & Albion Co. H.J.R. Somerville & Sons D.C. Turnbull & Co. Union Shipping Co.	N.Z. Shipping Co. Shaw Savill & Albion Co. H.J.R. Somerville & Sons D.C. Turnbull & Co. Union Shipping Co.
Wellington	N.Z. Stevedoring & Wharfingering Seatrans Consolidated Gannaway & Co. Ltd Union Shipping Co. Wellington Stevedoring Geo.H. Scales (Pacific) Ltd	N.Z. Stevedoring & Wharfingering Seatrans Consolidated Gannaway & Co. Ltd Union Shipping Co. Wellington Stevedoring Geo.H. Scales (Pacific) Ltd	N.Z. Stevedoring & Wharfingering Gannaway & Co. Ltd Union Shipping Co. Wellington Stevedoring Geo.H. Scales (Pacific) Ltd	Union Shipping Co. Wellington Stevedoring Geo.H. Scales (Pacific) Ltd Gannaway and Co. N.Z. Stevedoring & Wharfingering	Union Shipping Co. Wellington Stevedoring Geo.H. Scales (Pacific) Ltd Gannaway and Co. N.Z. Stevedoring & Wharfingering	Union Shipping Co. Wellington Stevedoring Geo.H. Scales (Pacific) Ltd Gannaway and Co. Holm and Co. Ltd	Union Shipping Co. Shaw Savill & Albion Co. Geo.H. Scales (Pacific) Ltd Gannaway and Co. Holm and Co. Ltd N.Z. Shipping Co.
Whangarei	*Auckland Stevedoring* *Waitemata Stevedoring* Union Shipping Co. *Leonard & Dingley*	*Auckland Stevedoring* *Waitemata Stevedoring* Union Shipping Co. *Leonard & Dingley*	*Auckland Stevedoring* *Waitemata Stevedoring* Northern Steamship Co. Union Shipping Co. *Leonard & Dingley*	*Auckland Stevedoring* *Waitemata Stevedoring* Northern Steamship Co. Union Shipping Co. *Leonard & Dingley*	*Auckland Stevedoring* *Waitemata Stevedoring* Northern Steamship Co. *Leonard & Dingley*	*Auckland Stevedoring* *Waitemata Stevedoring* Northern Steamship Co. *Leonard & Dingley*	*Auckland Stevedoring* *N.Z. Shipping Co.* Northern Steamship Co. *Leonard & Dingley*

	1963	1962
Auckland	Auckland Stevedoring Co.	Auckland Stevedoring Co.
	Leonard & Dingley	Leonard & Dingley
	N.Z. Shipping Co.	N.Z. Shipping Co.
	Shaw Savill&Albion Co.	Shaw Savill&Albion Co.
	Union Shipping Co.	Union Shipping Co.
	Auckland Shipping Services	Auckland Shipping Services
Bluff	Southland Stevedoring	Southland Stevedoring
	Union Shipping Co.	Union Shipping Co.
	N.Z. Shipping Co.	N.Z. Shipping Co.
	Shaw Savill&Albion Co.	Shaw Savill&Albion Co.
Dunedin & Port Chalmers	N.Z. Shipping Co.	N.Z. Shipping Co.
	Keith Ramsay Ltd	Keith Ramsay Ltd
	Tapley Swift Shipping	Tapley Swift Shipping
	Union Shipping Co.	Union Shipping Co.
	Shaw Savill&Albion Co.	Shaw Savill&Albion Co.
Gisborne	Union Shipping Co.	Union Shipping Co.
	Gisborne Lightering & Stevedoring Co.	Gisborne Lightering & Stevedoring Co.
	Puflett and Smith	Puflett and Smith
	N.Z. Shipping Co.	*N.Z. Shipping Co.*
Lyttelton	Union Shipping Co.	Union Shipping Co.
	N.Z. Shipping Co. Ltd	N.Z. Shipping Co. Ltd
	Shaw Savill & Albion Co.	Shaw Savill & Albion Co.
	Kinsey and Co. Ltd	Kinsey and Co. Ltd
	Holm Shipping Co.	Holm Shipping Co.
Napier	Union Shipping Co.	Union Shipping Co.
	Richardson and Co.	Richardson and Co.
	N.Z. Shipping Co. Ltd	N.Z. Shipping Co. Ltd
	Puflett and Smith	Puflett and Smith
Nelson	Anchor Shipping & Foundry Co.	Anchor Shipping & Foundry Co.
	Gannaway & Co. Ltd	N.Z. Shipping Co. Ltd
	N.Z. Shipping Co. Ltd	Levin and Co. Ltd
	Levin and Co. Ltd	
New Plymouth	Dominion Stevedoring Co.	Dominion Stevedoring Co.
	Union Shipping Co.	Union Shipping Co.
	N.Z. Shipping Co. Ltd	N.Z. Shipping Co. Ltd
	Burgess Holm and Co.	Burgess Holm and Co.
Onehunga		
Picton	Union Shipping Co.	Union Shipping Co.
	Gannaway & Co.	
	N.Z. Shipping Co.Ltd	
Tauranga / Mount Maunganui	Marine Services & Stevedores	Mt. Maung. & Tauranga Stevedores
	Mt. Maung. & Tauranga Stevedores	*N.Z. Shipping Co. Ltd*
	Northern Steam Ship Co.	Union Shipping Co.
	Union Shipping Co.	
	N.Z. Shipping Co. Ltd	
Timaru	N.Z. Shipping Co.	N.Z. Shipping Co.
	Shaw Savill & Albion Co.	Shaw Savill & Albion Co.
	H.J.R. Somerville & Sons	H.J.R. Somerville & Sons
	D.C. Turnbull & Co.	D.C. Turnbull & Co.
	Union Shipping Co.	Union Shipping Co.
Wellington	Union Shipping Co.	Union Shipping Co.
	Shaw Savill & Albion Co.	Shaw Savill & Albion Co.
	Geo.H. Scales (Pacific) Ltd	Geo.H. Scales (Pacific) Ltd
	Gannaway and Co.	Gannaway and Co.
	Holm and Co. Ltd	Holm and Co. Ltd
	N.Z. Shipping Co.	N.Z. Shipping Co.
Whangarei	Northern Steamship Co.	

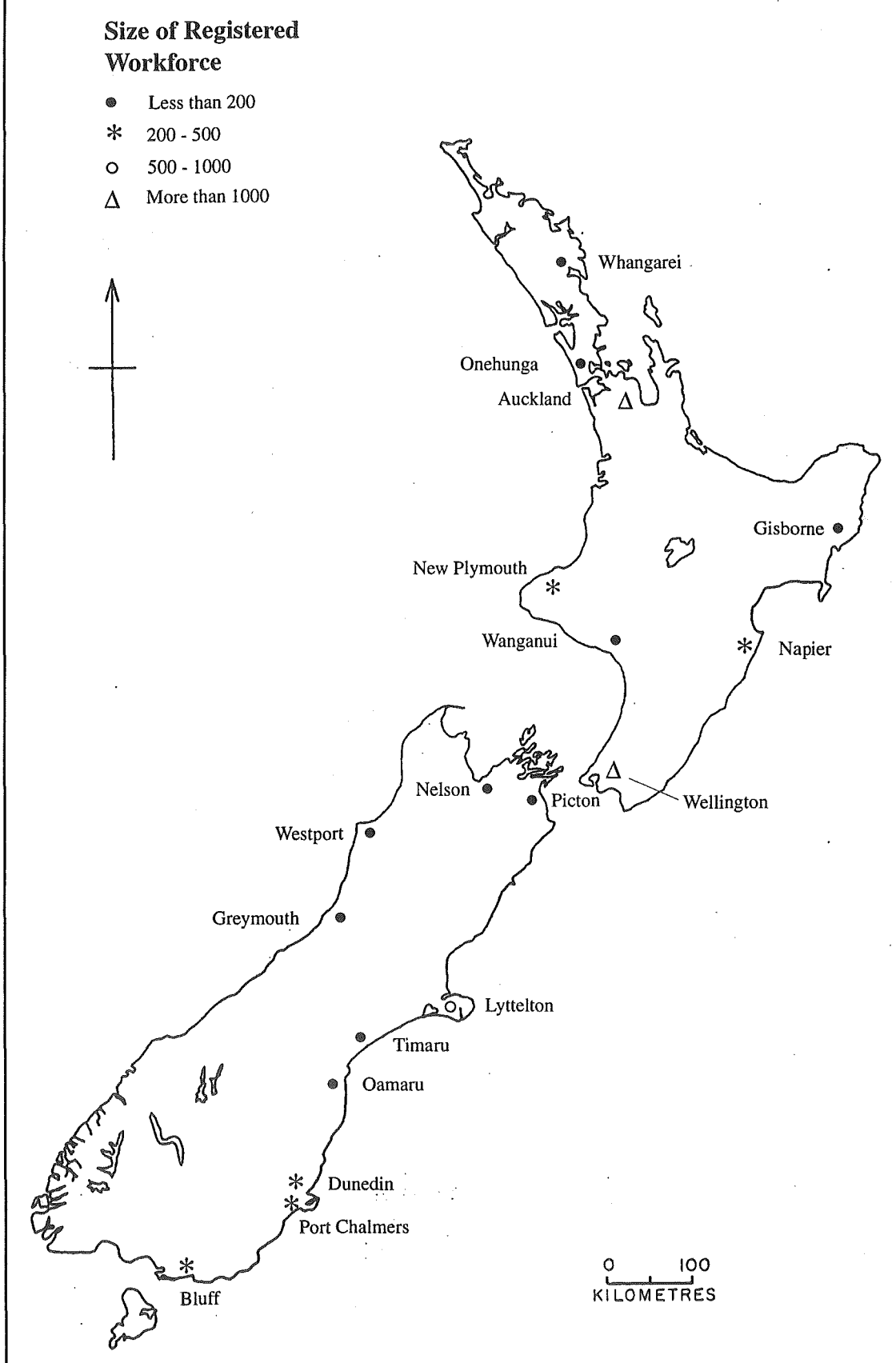
APPENDIX 2: DATA SOURCES FOR GRAPHS

The data sources for the graphs that appear in the thesis are as follows:

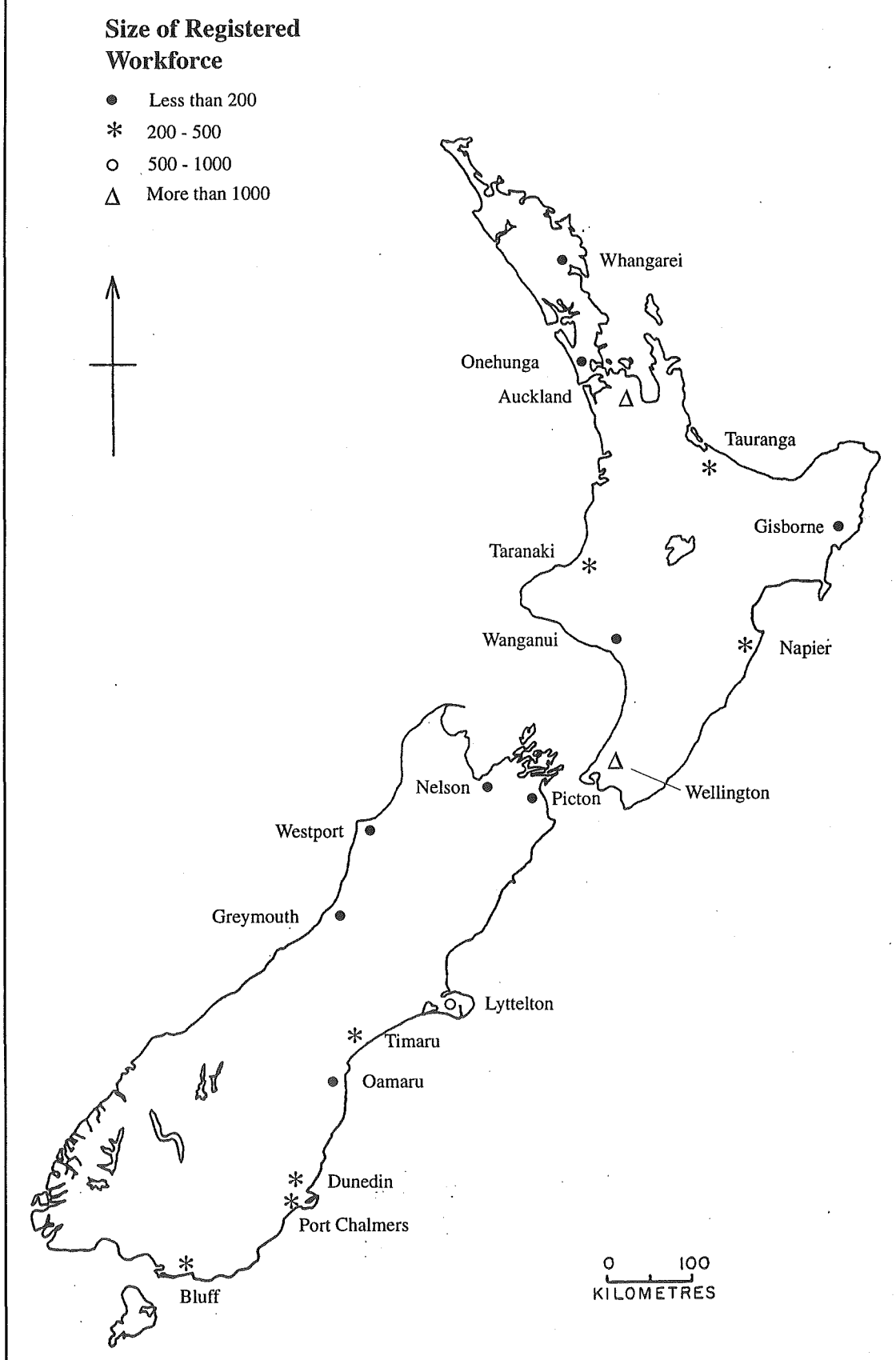
Graph 3.1: Waterfront Industry Commission Annual Reports.
Graph 4.1: Waterfront Industry Commission Annual Reports.
Graph 4.2: Waterfront Industry Commission Annual Reports.
Graph 4.3: Waterfront Industry Commission Annual Reports.
Graph 4.4: Waterfront Industry Commission Annual Reports.
Graph 4.5: Waterfront Industry Commission Annual Reports.
Graph 4.6: Waterfront Industry Commission Annual Reports.
Graph 5.1: Waterfront Industry Commission Annual Reports.
Graph 5.2: Waterfront Industry Commission Annual Reports.
Graph 5.3: Waterfront Industry Commission Annual Reports (waterfront average hourly rate); Pearce (1986) (manufacturing average hourly rate).
Graph 6.1: Waterfront Industry Commission Annual Reports.
Graph 8.1: Waterfront Industry Commission Annual Reports.
Graph 8.2: Waterfront Industry Commission Annual Reports.
Graph 10.1: Waterfront Industry Commission Annual Reports.
Graph 10.2: Waterfront Industry Commission Annual Reports.
Graph 10.3: Waterfront Industry Commission Annual Reports.
Graph 10.4: Waterfront Industry Commission Annual Reports.
Graph 10.5: Waterfront Industry Commission Annual Reports.
Graph 10.6: Waterfront Industry Commission Annual Reports.
Graph 10.7: Waterfront Industry Commission Annual Reports.
Graph 10.8: Waterfront Industry Commission Annual Reports.
Graph 11.1: Waterfront Industry Commission Annual Reports.
Graph 11.2: Waterfront Industry Commission Annual Reports.
Graph 11.3: Waterfront Industry Commission Annual Reports.
Graph 11.4: Waterfront Industry Commission Annual Reports.

APPENDIX 3 : MAPS (PORTS AND WORKFORCE SIZES)

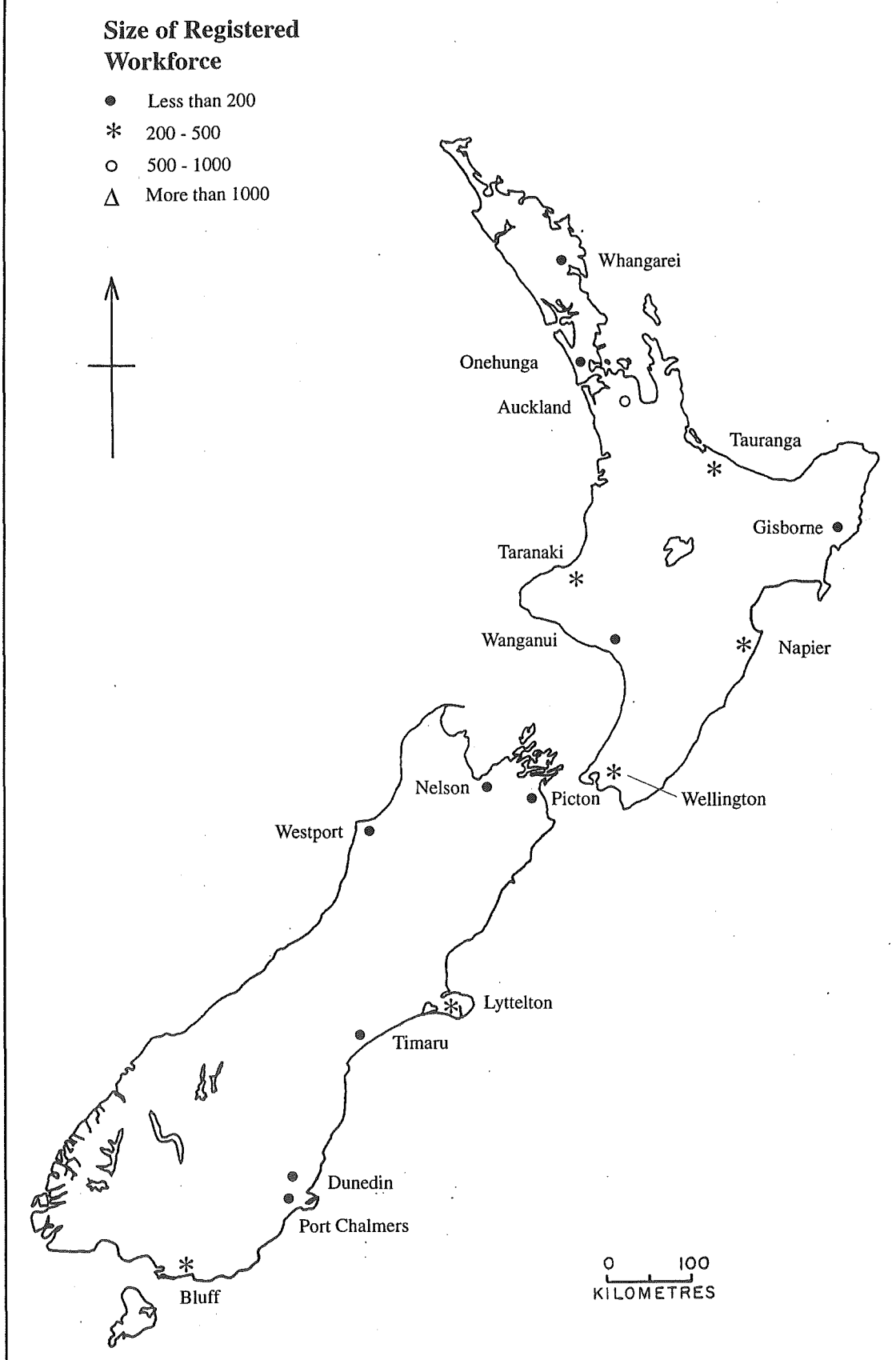
MAP 1: PORTS & WORKFORCE SIZES 1953



MAP 2: PORTS & WORKFORCE SIZES 1970



MAP 3: PORTS & WORKFORCE SIZES 1988



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